HOUSE BILL 1210

State of Washington 67th Legislature 2021 Regular Session

By Representatives Morgan, Peterson, Kloba, J. Johnson, Ryu, Santos, Ortiz-Self, Ormsby, Simmons, Gregerson, Riccelli, Macri, Frame, and Harris-Talley

Read first time 01/15/21. Referred to Committee on Commerce & Gaming.

AN ACT Relating to replacing the term "marijuana" with the term 1 2 "cannabis" throughout the Revised Code of Washington; amending RCW 3 9.01.210, 9.94.041, 9.94A.518, 9.94A.650, 9.96.060, 13.40.0357, 15.13.270, 15.13.270, 15.17.020, 15.49.061, 15.125.010, 4 15.125.020, 5 15.125.030, 15.125.040, 15.125.050, 15.140.020, 15.140.100, 15.140.120, 18.170.020, 19.02.110, 20.01.030, 28A.210.325, 6 7 28B.20.502, 38.38.762, 42.56.270, 42.56.620, 42.56.625, 42.56.630, 8 43.05.160, 43.06.490, 43.06.520, 43.21A.735, 43.330.540, 46.20.308, 46.25.120, 46.61.502, 46.61.503, 46.61.504, 46.61.50571, 46.61.5249, 9 46.61.745, 66.08.050, 69.04.480, 69.07.020, 69.07.200, 69.50.101, 10 69.50.102, 69.50.204, 69.50.325, 69.50.326, 69.50.327, 69.50.328, 11 12 69.50.331, 69.50.334, 69.50.335, 69.50.336, 69.50.339, 69.50.342, 13 69.50.345, 69.50.346, 69.50.348, 69.50.348, 69.50.351, 69.50.354, 14 69.50.363, 69.50.366, 69.50.369, 69.50.375, 69.50.378, 69.50.380, 15 69.50.382, 69.50.385, 69.50.390, 69.50.395, 69.50.401, 69.50.4013, 16 69.50.4014, 69.50.408, 69.50.410, 69.50.412, 69.50.4121, 69.50.435, 69.50.445, 69.50.450, 69.50.465, 69.50.475, 69.50.505, 69.50.515, 17 18 69.50.530, 69.50.535, 69.50.550, 69.50.555, 69.50.560, 69.50.562, 19 69.50.563, 69.50.564, 69.50.570, 69.50.575, 69.50.580, 69.51.020, 20 69.51.030, 69.51.060, 69.51A.005, 69.51A.010, 69.51A.030, 69.51A.040, 69.51A.050, 69.51A.043, 69.51A.045, 69.51A.060, 69.51A.100, 21 69.51A.210, 22 69.51A.220, 69.51A.225, 69.51A.240, 69.51A.250, 23 69.51A.260, 69.51A.270, 69.51A.290, 69.51A.300, 69.51A.310,

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- 1 79A.60.040, 82.02.010, 82.04.100, 82.04.213, 82.04.260, 82.04.331, 82.04.4266, 82.04.756, 82.08.010, 82.08.020, 82.08.02565, 82.08.0257, 2 82.08.0273, 82.08.02745, 82.08.0281, 82.08.0288, 82.08.0293, 3 82.08.820, 82.08.9997, 82.08.9998, 82.12.02565, 82.12.0258, 4 82.12.0283, 82.12.9997, 82.12.9998, 82.14.430, 82.16.050, 82.25.005, 5 6 82.29A.020, 82.84.030, 84.34.410, and 84.40.030; reenacting and amending RCW 69.07.010, 69.50.101, 69.50.345, 69.50.357, 69.50.360, 7 69.50.372, 69.50.540, 69.51A.010, 69.51A.230, and 70.345.010; adding 8 a new section to chapter 46.04 RCW; creating a new section; providing 9 effective dates; and providing expiration dates. 10
- 11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:
- NEW SECTION. Sec. 1. It is the intent of the legislature to make technical changes to replace the term "marijuana" with "cannabis" throughout the Revised Code of Washington. The legislature finds that the use of the term "marijuana" in the United States has discriminatory origins and should be replaced with the more scientifically accurate term "cannabis." This act is technical in nature and no substantive legal changes are intended or implied.
- 19 **Sec. 2.** RCW 9.01.210 and 2018 c 68 s 1 are each amended to read 20 as follows:

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- (1) A person or entity that receives deposits, extends credit, conducts funds transfers, transports cash or financial instruments on behalf of a financial institution, or provides other financial services for a ((marijuana)) cannabis producer, ((marijuana)) cannabis processor, or ((marijuana)) cannabis retailer authorized under chapter 69.50 RCW or for a qualifying patient, health care professional, or designated provider authorized under chapter 69.51A RCW, does not commit a crime under any Washington law solely by virtue of receiving deposits, extending credit, conducting funds transfers, transporting cash or other financial instruments, or providing other financial services for the person.
 - (2) For the purposes of this section((, "person)):
 - (a) "Cannabis" has the meaning provided in RCW 69.50.101; and
- (b) "Person or entity" means a financial institution as defined in RCW 30A.22.040, an armored car service operating under a permit issued by the utilities and transportation commission that has been contracted by a financial institution, or a person providing

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financial services pursuant to a license issued under chapter 18.44, 19.230, or 31.04 RCW.

- (3) A certified public accountant or certified public accounting firm, which practices public accounting as defined in RCW 18.04.025, does not commit a crime solely for providing professional accounting services as specified in RCW 18.04.025 for a ((marijuana)) cannabis producer, ((marijuana)) cannabis processor, or ((marijuana)) cannabis retailer authorized under chapter 69.50 RCW.
- **Sec. 3.** RCW 9.94.041 and 2016 c 199 s 1 are each amended to read 10 as follows:
 - (1) Every person serving a sentence in any state correctional institution who, without legal authorization, while in the institution or while being conveyed to or from the institution, or while under the custody or supervision of institution officials, officers, or employees, or while on any premises subject to the control of the institution, knowingly possesses or carries upon his or her person or has under his or her control any narcotic drug or controlled substance, as defined in chapter 69.50 RCW, alcohol, ((marijuana)) cannabis, or other intoxicant, or a cell phone or other form of an electronic telecommunications device, is guilty of a class C felony.
 - (2) Every person confined in a county or local correctional institution who, without legal authorization, while in the institution or while being conveyed to or from the institution, or while under the custody or supervision of institution officials, officers, or employees, or while on any premises subject to the control of the institution, knowingly possesses or has under his or her control any narcotic drug or controlled substance, as defined in chapter 69.50 RCW, alcohol, ((marijuana)) cannabis, or other intoxicant, or a cell phone or other form of an electronic telecommunications device, is guilty of a class C felony.
- 32 (3) The sentence imposed under this section shall be in addition 33 to any sentence being served.
- 34 (4) For the purposes of this section, "cannabis" has the meaning provided in RCW 69.50.101.
- **Sec. 4.** RCW 9.94A.518 and 2003 c 53 s 57 are each amended to read as follows:

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1	TABLE 4
2	DRUG OFFENSES
3	INCLUDED WITHIN EACH
4	SERIOUSNESS LEVEL
5	III Any felony offense under chapter
6	69.50 RCW with a deadly weapon
7	special verdict under RCW
8	((9.94A.602)) <u>9.94A.825</u>
9	Controlled Substance Homicide (RCW
10	69.50.415)
11	Delivery of imitation controlled
12	substance by person eighteen or
13	over to person under eighteen
14	(RCW 69.52.030(2))
15	Involving a minor in drug dealing
16	(RCW 69.50.4015)
17	Manufacture of methamphetamine
18	(RCW 69.50.401(2)(b))
19	Over 18 and deliver heroin,
20	methamphetamine, a narcotic from
21	Schedule I or II, or flunitrazepam
22	from Schedule IV to someone
23	under 18 (RCW 69.50.406)
24	Over 18 and deliver narcotic from
25	Schedule III, IV, or V or a
26	nonnarcotic, except flunitrazepam
27	or methamphetamine, from
28	Schedule I-V to someone under 18
29	and 3 years junior (RCW
30	69.50.406)
31	Possession of Ephedrine,
32	Pseudoephedrine, or Anhydrous
33	Ammonia with intent to
34	manufacture
35	methamphetamine (RCW
36	69.50.440)

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1		Selling for profit (controlled or
2		counterfeit) any controlled
3		substance (RCW 69.50.410)
4	II	Create, deliver, or possess a counterfeit
5		controlled substance (RCW
6		69.50.4011)
7		Deliver or possess with intent to
8		deliver methamphetamine (RCW
9		69.50.401(2)(b))
10		Delivery of a material in lieu of a
11		controlled substance (RCW
12		69.50.4012)
13		Maintaining a Dwelling or Place for
14		Controlled Substances (RCW
15		69.50.402(1)(f))
16	·	Manufacture, deliver, or possess with
17		intent to deliver amphetamine
18		(RCW 69.50.401(2)(b))
19		Manufacture, deliver, or possess with
20		intent to deliver narcotics from
21		Schedule I or II or flunitrazepam
22		from Schedule IV (RCW
23		69.50.401(2)(a))
24		Manufacture, deliver, or possess with
25		intent to deliver narcotics from
26		Schedule III, IV, or V or
27		nonnarcotics from Schedule I-V
28		(except ((marijuana)) cannabis as
29		defined in RCW 69.50.101,
30		amphetamine, methamphetamines,
31		or flunitrazepam) (RCW
32		69.50.401(2) (c) through (e))
33		Manufacture, distribute, or possess
34		with intent to distribute an
35		imitation controlled substance
36		(RCW 69.52.030(1))
37	I	Forged Prescription (RCW 69.41.020)

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1	Forged Prescription for a Controlled
2	Substance (RCW 69.50.403)
3	Manufacture, deliver, or possess with
4	intent to deliver ((marijuana))
5	cannabis as defined in RCW
6	<u>69.50.101</u> (RCW 69.50.401(2)(c))
7	Possess Controlled Substance that is a
8	Narcotic from Schedule III, IV, or
9	V or Nonnarcotic from Schedule I-
10	V (RCW 69.50.4013)
11	Possession of Controlled Substance
12	that is either heroin or narcotics
13	from Schedule I or II (RCW
14	69.50.4013)
15	Unlawful Use of Building for Drug
16	Purposes (RCW 69.53.010)

- **Sec. 5.** RCW 9.94A.650 and 2011 1st sp.s. c 40 s 9 are each 18 amended to read as follows:
 - (1) This section applies to offenders who have never been previously convicted of a felony in this state, federal court, or another state, and who have never participated in a program of deferred prosecution for a felony, and who are convicted of a felony that is not:
 - (a) Classified as a violent offense or a sex offense under this chapter;
 - (b) Manufacture, delivery, or possession with intent to manufacture or deliver a controlled substance classified in Schedule I or II that is a narcotic drug or flunitrazepam classified in Schedule IV;
 - (c) Manufacture, delivery, or possession with intent to deliver a methamphetamine, its salts, isomers, and salts of its isomers as defined in RCW 69.50.206(d)(2);
 - (d) The selling for profit of any controlled substance or counterfeit substance classified in Schedule I, RCW 69.50.204, except leaves and flowering tops of ((marihuana)) cannabis; or
- 36 (e) Felony driving while under the influence of intoxicating 37 liquor or any drug or felony physical control of a vehicle while 38 under the influence of intoxicating liquor or any drug.

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(2) In sentencing a first-time offender the court may waive the imposition of a sentence within the standard sentence range and impose a sentence which may include up to ninety days of confinement in a facility operated or utilized under contract by the county and a requirement that the offender refrain from committing new offenses.

- (3) The court may impose up to six months of community custody unless treatment is ordered, in which case the period of community custody may include up to the period of treatment, but shall not exceed one year.
- 10 (4) As a condition of community custody, in addition to any conditions authorized in RCW 9.94A.703, the court may order the offender to pay all court-ordered legal financial obligations and/or perform community restitution work.
- 14 (5) For the purposes of this section, "cannabis" has the meaning provided in RCW 69.50.101.
 - Sec. 6. RCW 9.96.060 and 2020 c 29 s 18 are each amended to read as follows:
 - (1) When vacating a conviction under this section, the court effectuates the vacation by: (a)(i) Permitting the applicant to withdraw the applicant's plea of guilty and to enter a plea of not guilty; or (ii) if the applicant has been convicted after a plea of not guilty, the court setting aside the verdict of guilty; and (b) the court dismissing the information, indictment, complaint, or citation against the applicant and vacating the judgment and sentence.
 - (2) Every person convicted of a misdemeanor or gross misdemeanor offense may apply to the sentencing court for a vacation of the applicant's record of conviction for the offense. If the court finds the applicant meets the requirements of this subsection, the court may in its discretion vacate the record of conviction. Except as provided in subsections (3), (4), and (5) of this section, an applicant may not have the record of conviction for a misdemeanor or gross misdemeanor offense vacated if any one of the following is present:
- 35 (a) The applicant has not completed all of the terms of the 36 sentence for the offense;
- 37 (b) There are any criminal charges against the applicant pending 38 in any court of this state or another state, or in any federal or 39 tribal court, at the time of application;

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(c) The offense was a violent offense as defined in RCW 9.94A.030 or an attempt to commit a violent offense;

- (d) The offense was a violation of RCW 46.61.502 (driving while under the influence), 46.61.504 (actual physical control while under the influence), 9.91.020 (operating a railroad, etc. while intoxicated), or the offense is considered a "prior offense" under RCW 46.61.5055 and the applicant has had a subsequent alcohol or drug violation within ten years of the date of arrest for the prior offense or less than ten years has elapsed since the date of the arrest for the prior offense;
- (e) The offense was any misdemeanor or gross misdemeanor violation, including attempt, of chapter 9.68 RCW (obscenity and pornography), chapter 9.68A RCW (sexual exploitation of children), or chapter 9A.44 RCW (sex offenses), except for failure to register as a sex offender under RCW 9A.44.132;
- (f) The applicant was convicted of a misdemeanor or gross misdemeanor offense as defined in RCW 10.99.020, or the court determines after a review of the court file that the offense was committed by one family or household member against another or by one intimate partner against another, or the court, after considering the damage to person or property that resulted in the conviction, any prior convictions for crimes defined in RCW 10.99.020, or for comparable offenses in another state or in federal court, and the totality of the records under review by the court regarding the conviction being considered for vacation, determines that the offense involved domestic violence, and any one of the following factors exist:
- (i) The applicant has not provided written notification of the vacation petition to the prosecuting attorney's office that prosecuted the offense for which vacation is sought, or has not provided that notification to the court;
- (ii) The applicant has two or more domestic violence convictions stemming from different incidents. For purposes of this subsection, however, if the current application is for more than one conviction that arose out of a single incident, none of those convictions counts as a previous conviction;
- (iii) The applicant has signed an affidavit under penalty of perjury affirming that the applicant has not previously had a conviction for a domestic violence offense, and a criminal history check reveals that the applicant has had such a conviction; or

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(iv) Less than five years have elapsed since the person completed the terms of the original conditions of the sentence, including any financial obligations and successful completion of any treatment ordered as a condition of sentencing;

- (g) For any offense other than those described in (f) of this subsection, less than three years have passed since the person completed the terms of the sentence, including any financial obligations;
- (h) The offender has been convicted of a new crime in this state, another state, or federal or tribal court in the three years prior to the vacation application; or
 - (i) The applicant is currently restrained by a domestic violence protection order, a no-contact order, an antiharassment order, or a civil restraining order which restrains one party from contacting the other party or was previously restrained by such an order and was found to have committed one or more violations of the order in the five years prior to the vacation application.
 - (3) Subject to RCW 9.96.070, every person convicted of prostitution under RCW 9A.88.030 who committed the offense as a result of being a victim of trafficking, RCW 9A.40.100, promoting prostitution in the first degree, RCW 9A.88.070, promoting commercial sexual abuse of a minor, RCW 9.68A.101, or trafficking in persons under the trafficking victims protection act of 2000, 22 U.S.C. Sec. 7101 et seq. may apply to the sentencing court for vacation of the applicant's record of conviction for the prostitution offense. An applicant may not have the record of conviction for prostitution vacated if any one of the following is present:
 - (a) There are any criminal charges against the applicant pending in any court of this state or another state, or in any federal court, for any crime other than prostitution; or
 - (b) The offender has been convicted of another crime, except prostitution, in this state, another state, or federal court since the date of conviction. The limitation in this subsection (3) (b) does not apply to convictions where the offender proves by a preponderance of the evidence that he or she committed the crime as a result of being a victim of trafficking, RCW 9A.40.100, promoting prostitution in the first degree, RCW 9A.88.070, promoting commercial sexual abuse of a minor, RCW 9.68A.101, or trafficking in persons under the trafficking victims protection act of 2000, 22 U.S.C. Sec. 7101 et

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seq., according to the requirements provided in RCW 9.96.070 for each respective conviction.

- (4) Every person convicted prior to January 1, 1975, of violating any statute or rule regarding the regulation of fishing activities, including, but not limited to, RCW 75.08.260, 75.12.060, 75.12.070, 75.12.160, 77.16.020, 77.16.030, 77.16.040, 77.16.060, and 77.16.240 who claimed to be exercising a treaty Indian fishing right, may apply to the sentencing court for vacation of the applicant's record of the misdemeanor, gross misdemeanor, or felony conviction for the offense. If the person is deceased, a member of the person's family or an official representative of the tribe of which the person was a member may apply to the court on behalf of the deceased person. Notwithstanding the requirements of RCW 9.94A.640, the court shall vacate the record of conviction if:
- (a) The applicant is a member of a tribe that may exercise treaty Indian fishing rights at the location where the offense occurred; and
- (b) The state has been enjoined from taking enforcement action of the statute or rule to the extent that it interferes with a treaty Indian fishing right as determined under *United States v. Washington*, 384 F. Supp. 312 (W.D. Wash. 1974), or *Sohappy v. Smith*, 302 F. Supp. 899 (D. Oregon 1969), and any posttrial orders of those courts, or any other state supreme court or federal court decision.
- (5) Every person convicted of a misdemeanor ((marijuana)) cannabis offense, who was twenty-one years of age or older at the time of the offense, may apply to the sentencing court for a vacation of the applicant's record of conviction for the offense. A misdemeanor ((marijuana)) cannabis offense includes, but is not limited to: Any offense under RCW 69.50.4014, from July 1, 2004, onward, and its predecessor statutes, including RCW 69.50.401(e), from March 21, 1979, to July 1, 2004, and RCW 69.50.401(d), from May 21, 1971, to March 21, 1979, and any offense under an equivalent municipal ordinance. If an applicant qualifies under this subsection, the court shall vacate the record of conviction.
- (6) (a) Except as provided in (c) of this subsection, once the court vacates a record of conviction under this section, the person shall be released from all penalties and disabilities resulting from the offense and the fact that the person has been convicted of the offense shall not be included in the person's criminal history for purposes of determining a sentence in any subsequent conviction. For all purposes, including responding to questions on employment or

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- housing applications, a person whose conviction has been vacated under this section may state that he or she has never been convicted of that crime. However, nothing in this section affects the requirements for restoring a right to possess a firearm under RCW 9.41.040. Except as provided in (b) of this subsection, nothing in this section affects or prevents the use of an offender's prior conviction in a later criminal prosecution.
- (b) When a court vacates a record of domestic violence as defined 8 in RCW 10.99.020 under this section, the state may not use the 9 vacated conviction in a later criminal prosecution unless the 10 11 conviction was for: (i) Violating the provisions of a restraining 12 order, no-contact order, or protection order restraining or enjoining the person or restraining the person from going on to the grounds of 13 entering a residence, workplace, school, or day care, or 14 prohibiting the person from knowingly coming within, or knowingly 15 16 remaining within, a specified distance of a location (RCW 10.99.040, 17 10.99.050, 26.09.300, 26.10.220, 26.26B.050, 26.44.063, 26.44.150, 26.50.060, 26.50.070, 26.50.130, 26.52.070, or 74.34.145); or (ii) 18 19 stalking (RCW 9A.46.110). A vacated conviction under this section is not considered a conviction of such an offense for the purposes of 27 20 21 C.F.R. 478.11.
- (c) A conviction vacated on or after July 28, 2019, qualifies as a prior conviction for the purpose of charging a present recidivist offense as defined in RCW 9.94A.030 occurring on or after July 28, 2019.

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- (7) The clerk of the court in which the vacation order is entered shall immediately transmit the order vacating the conviction to the Washington state patrol identification section and to the local police agency, if any, which holds criminal history information for the person who is the subject of the conviction. The Washington state patrol and any such local police agency shall immediately update their records to reflect the vacation of the conviction, and shall transmit the order vacating the conviction to the federal bureau of investigation. A conviction that has been vacated under this section may not be disseminated or disclosed by the state patrol or local law enforcement agency to any person, except other criminal justice enforcement agencies.
- 38 (8) For the purposes of this section, "cannabis" has the meaning provided in RCW 69.50.101.

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1		13.40	.0357	and	2020	С	18	s	8	are	each	amended	to
2	read as follows:												
3		DES	CRIPTIO	N AND	OFFEN	SE C	CATE	GOI	RY				
4	JUVENILE DISPOSITION												
5		JUVENILE						CATE	EGORY	Y FOR			
6		DISPOSITION					ATT	ЕМРТ,	BAIL.	JUMP,			
7		OFFENSE					•	CONSI	PIRAC	Y, OR			
8		CATEGORY	DESCRIPTION				c	SOI	LICITA	ATION			
9			Arson an			schie	I		ъ.				
10		A	Arson 1 (B+				
11		В	Arson 2 (,				C				
12		C	Reckless		,				D				
13		D	Reckless						Е				
14		В	Malicious		`				С				
15		С	Malicious		`				D				
16		D	Malicious	s Mischi	lef 3 (9A.	48.09	90)		Е				
17		Е	Tamperin	_	Fire Alarn	n Ap	paratu	18	E				
18			(9.40.100										
19		Е	Tamperin				_		Е				
20			with Inter										
21		A	Possessio		endiary I	Devic	e		B+				
22			(9.40.120)									
23			Assault a		er Crime	es Inv	volvin	ıg					
24			Physical										
25		A	Assault 1	`	,				B+				
26		B+	Assault 2	(9A.36.	.021)				C+				
27		C+	Assault 3	(9A.36.	.031)				D+				
28		D+	Assault 4	(9A.36.	.041)				E				
29		B+	Drive-By	Shootin	ng (9A.36	.045)		C+				
30			committee	d at age	15 or uno	der							
31		A++	Drive-By	Shootin	ng (9A.36	0.045)		A				
32			committe	d at age	16 or 17								
33		D+	Reckless	Endang	erment (9	A.36	5.050)		E				
34		C+	Promoting	g Suicid	le Attemp	ot (9A	x.36.0	60)	D+				
35		D+	Coercion	(9A.36.	070)				E				
36		C+	Custodial	Assault	t (9A.36.1	100)			D+				

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1			Burglary and Trespass	
2	I	3+	Burglary 1 (9A.52.020) committed at	C+
3			age 15 or under	
4	F	4-	Burglary 1 (9A.52.020) committed at	B+
5			age 16 or 17	
6	I	3	Residential Burglary (9A.52.025)	C
7	I	3	Burglary 2 (9A.52.030)	C
8	Ι)	Burglary Tools (Possession of)	E
9			(9A.52.060)	
10	I)	Criminal Trespass 1 (9A.52.070)	E
11	I	Ξ	Criminal Trespass 2 (9A.52.080)	E
12	(C	Mineral Trespass (78.44.330)	C
13	(C	Vehicle Prowling 1 (9A.52.095)	D
14	I)	Vehicle Prowling 2 (9A.52.100)	Е
15			Drugs	
16	I	Ξ	Possession/Consumption of Alcohol	Е
17			(66.44.270)	
18	(C	Illegally Obtaining Legend Drug	D
19			(69.41.020)	
20	(C+	Sale, Delivery, Possession of Legend	D+
21			Drug with Intent to Sell (69.41.030(2)(a))
22	I	Ξ	Possession of Legend	E
23			Drug (69.41.030(2)(b))	
24	I	3+	Violation of Uniform Controlled	B+
25			Substances Act - Narcotic,	
26			Methamphetamine, or Flunitrazepam	
27			Sale (69.50.401(2) (a) or (b))	
28	(C	Violation of Uniform Controlled	C
29			Substances Act - Nonnarcotic Sale	
30			(69.50.401(2)(c))	
31	I	Ξ	Possession of ((Marihuana)) Cannabis	Е
32			<40 grams (69.50.4014)	
33	(C	Fraudulently Obtaining Controlled	C
34			Substance (69.50.403)	
35	(C+	Sale of Controlled Substance for Profit	C+
36			(69.50.410)	
37	I	Ξ	Unlawful Inhalation (9.47A.020)	E

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1	В	Violation of Uniform Controlled	В
2		Substances Act - Narcotic,	
3		Methamphetamine, or Flunitrazepam	
4		Counterfeit Substances (69.50.4011(2)	
5		(a) or (b))	
6	C	Violation of Uniform Controlled	C
7		Substances Act - Nonnarcotic Counterfei	it
8		Substances (69.50.4011(2) (c), (d), or (e))
9	C	Violation of Uniform Controlled	C
10		Substances Act - Possession of a	
11		Controlled Substance (69.50.4013)	
12	C	Violation of Uniform Controlled	C
13		Substances Act - Possession of a	
14		Controlled Substance (69.50.4012)	
15		Firearms and Weapons	
16	В	Theft of Firearm (9A.56.300)	C
17	В	Possession of Stolen Firearm	C
18		(9A.56.310)	
19	E	Carrying Loaded Pistol Without Permit	E
20		(9.41.050)	
21	C	Possession of Firearms by Minor (<18)	C
22		(9.41.040(2)(a) (vi))	
23	D+	Possession of Dangerous Weapon	E
24		(9.41.250)	
25	D	Intimidating Another Person by use of	E
26		Weapon (9.41.270)	
27		Homicide	
28	A+	Murder 1 (9A.32.030)	A
29	A+	Murder 2 (9A.32.050)	B+
30	B+	Manslaughter 1 (9A.32.060)	C+
31	C+	Manslaughter 2 (9A.32.070)	D+
32	B+	Vehicular Homicide (46.61.520)	C+
33		Kidnapping	
34	A	Kidnap 1 (9A.40.020)	B+
35	B+	Kidnap 2 (9A.40.030)	C+
36	C+	Unlawful Imprisonment (9A.40.040)	D+
37		Obstructing Governmental Operation	

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1 2	D	Obstructing a Law Enforcement Officer (9A.76.020)	Е
3	E	Resisting Arrest (9A.76.040)	E
4	В	Introducing Contraband 1 (9A.76.140)	C
5	C	Introducing Contraband 2 (9A.76.150)	D
6	E	Introducing Contraband 3 (9A.76.160)	E
7	B+	Intimidating a Public Servant	C+
8		(9A.76.180)	
9	B+	Intimidating a Witness (9A.72.110)	C+
10		Public Disturbance	
11	C+	Criminal Mischief with Weapon	D+
12		(9A.84.010(2)(b))	
13	D+	Criminal Mischief Without Weapon	E
14		(9A.84.010(2)(a))	
15	E	Failure to Disperse (9A.84.020)	E
16	E	Disorderly Conduct (9A.84.030)	E
17		Sex Crimes	
18	A	Rape 1 (9A.44.040)	B+
19	B++	Rape 2 (9A.44.050) committed at age 14	B+
20		or under	
21	A-	Rape 2 (9A.44.050) committed at age 15	B+
22		through age 17	
23	C+	Rape 3 (9A.44.060)	D+
24	B++	Rape of a Child 1 (9A.44.073)	B+
25		committed at age 14 or under	
26	A-	Rape of a Child 1 (9A.44.073)	B+
27		committed at age 15	
28	B+	Rape of a Child 2 (9A.44.076)	C+
29	В	Incest 1 (9A.64.020(1))	C
30	C	Incest 2 (9A.64.020(2))	D
31	D+	Indecent Exposure (Victim <14)	E
32		(9A.88.010)	
33	E	Indecent Exposure (Victim 14 or over)	E
34		(9A.88.010)	
35	B+	Promoting Prostitution 1 (9A.88.070)	C+
36	C+	Promoting Prostitution 2 (9A.88.080)	D+

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1	E	O & A (Prostitution) (9A.88.030)	E
2	B+	Indecent Liberties (9A.44.100)	C+
3	B++	Child Molestation 1 (9A.44.083)	B+
4		committed at age 14 or under	
5	A-	Child Molestation 1 (9A.44.083)	B+
6		committed at age 15 through age 17	
7	В	Child Molestation 2 (9A.44.086)	C+
8	C	Failure to Register as a Sex Offender	D
9		(9A.44.132)	
10		Theft, Robbery, Extortion, and	
11		Forgery	
12	В	Theft 1 (9A.56.030)	C
13	C	Theft 2 (9A.56.040)	D
14	D	Theft 3 (9A.56.050)	E
15	В	Theft of Livestock 1 and 2 (9A.56.080	C
16		and 9A.56.083)	
17	C	Forgery (9A.60.020)	D
18	A	Robbery 1 (9A.56.200) committed at	B+
19		age 15 or under	
20	A++	Robbery 1 (9A.56.200) committed at	A
21		age 16 or 17	
22	B+	Robbery 2 (9A.56.210)	C+
23	B+	Extortion 1 (9A.56.120)	C+
24	C+	Extortion 2 (9A.56.130)	D+
25	C	Identity Theft 1 (9.35.020(2))	D
26	D	Identity Theft 2 (9.35.020(3))	E
27	D	Improperly Obtaining Financial	E
28		Information (9.35.010)	
29	В	Possession of a Stolen Vehicle	C
30		(9A.56.068)	
31	В	Possession of Stolen Property 1	C
32		(9A.56.150)	
33	С	Possession of Stolen Property 2	D
34		(9A.56.160)	
35	D	Possession of Stolen Property 3	E
36		(9A.56.170)	

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1	В	Taking Motor Vehicle Without	C
2		Permission 1 (9A.56.070)	
3	C	Taking Motor Vehicle Without	D
4		Permission 2 (9A.56.075)	
5	В	Theft of a Motor Vehicle (9A.56.065)	C
6		Motor Vehicle Related Crimes	
7	E	Driving Without a License (46.20.005)	E
8	B+	Hit and Run - Death (46.52.020(4)(a))	C+
9	C	Hit and Run - Injury (46.52.020(4)(b))	D
10	D	Hit and Run-Attended (46.52.020(5))	E
11	E	Hit and Run-Unattended (46.52.010)	E
12	C	Vehicular Assault (46.61.522)	D
13	C	Attempting to Elude Pursuing Police	D
14		Vehicle (46.61.024)	
15	E	Reckless Driving (46.61.500)	E
16	D	Driving While Under the Influence	E
17		(46.61.502 and 46.61.504)	
18	B+	Felony Driving While Under the	В
19		Influence (46.61.502(6))	
20	B+	Felony Physical Control of a Vehicle	В
21		While Under the Influence (46.61.504(6))
22		Other	
23	В	Animal Cruelty 1 (16.52.205)	C
24	В	Bomb Threat (9.61.160)	C
25	C	Escape 1 ¹ (9A.76.110)	C
26	C	Escape 2 ¹ (9A.76.120)	C
27	D	Escape 3 (9A.76.130)	E
28	E	Obscene, Harassing, Etc., Phone Calls	E
29		(9.61.230)	
30	A	Other Offense Equivalent to an Adult	B+
31		Class A Felony	
32	В	Other Offense Equivalent to an Adult	C
33		Class B Felony	
34	C	Other Offense Equivalent to an Adult	D
35		Class C Felony	

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1			D Other Offe	ense Equivalent to	an Adult E		
2			Gross Mis	demeanor			
3				ense Equivalent to	an Adult E		
4			Misdemea	nor			
5				of Order of Restitu	*		
6				ty Supervision, or	Confinement		
7			(13.40.200)) ²			
8	¹ Escape 1 an and the stan					classed as	C offenses
10 11	1st esca	ape or a	attempted e	escape dur	ing 12-mon	th period	- 28 days
12 13	2nd esca	ape or a	attempted e	escape duri	ing 12-mon	th period	- 8 weeks
14 15	3rd and period - 12		uent escap onfinement	e or atte	mpted esc	ape durino	g 12-month
16 17	² If the cour it may impos			_			an order,
18			JUVENILE S	SENTENCING	STANDARDS		
19 20	This schedu select sente				ile offend	ders. The	court may
21		or or	3010II II, D,	0, 01 2.	OPTION		
22					OPTION A		
23				JUVENILE OF	FENDER SENTE	NCING GRID	
				STA	ANDARD RANG	iΕ	
24		A++		129 to 260 weel	ks for all category	A++ offenses	
25		A+		180 weeks to ag	e 21 for all catego	ory A+ offenses	
26		Α		103-129 wee	ks for all category	A offenses	
27		A-	30-40 weeks	52-65 weeks	80-100 weeks	103-129 weeks	103-129 weeks
28		B++	15-36 weeks	52-65 weeks	80-100 weeks	103-129 weeks	103-129 weeks
29	CURRENT	B+	15-36 weeks	15-36 weeks	52-65 weeks	80-100 weeks	103-129 weeks
30	OFFENSE	В	LS	LS	15-36 weeks	15-36 weeks	52-65 weeks
31	CATEGORY	C+	LS	LS	LS	15-36 weeks	15-36 weeks
32		С —	LS	LS	LS	LS	15-36 weeks

LS

D+

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LS

LS

LS

1		D	LS	LS	LS	LS	LS
2		E	LS	LS	LS	LS	LS
3	PRIOR		0	1	2	3	4 or more

ADJUDICATIONS

- 5 NOTE: References in the grid to days or weeks mean periods of confinement. "LS" means "local sanctions" as defined in RCW 13.40.020.
 - (1) The vertical axis of the grid is the current offense category. The current offense category is determined by the offense of adjudication.
 - (2) The horizontal axis of the grid is the number of prior adjudications included in the juvenile's criminal history. Each prior felony adjudication shall count as one point. Each prior violation, misdemeanor, and gross misdemeanor adjudication shall count as 1/4 point. Fractional points shall be rounded down.
 - (3) The standard range disposition for each offense is determined by the intersection of the column defined by the prior adjudications and the row defined by the current offense category.
- 19 (4) RCW 13.40.180 applies if the offender is being sentenced for 20 more than one offense.
 - (5) A current offense that is a violation is equivalent to an offense category of E. However, a disposition for a violation shall not include confinement.

24 OR

25 OPTION B

SUSPENDED DISPOSITION ALTERNATIVE

(1) If the offender is subject to a standard range disposition involving confinement by the department, the court may impose the standard range and suspend the disposition on condition that the offender comply with one or more local sanctions and any educational or treatment requirement. The treatment programs provided to the offender must be either research-based best practice programs as identified by the Washington state institute for public policy or the joint legislative audit and review committee, or for chemical dependency treatment programs or services, they must be evidence-based or research-based best practice programs. For the purposes of this subsection:

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- 1 (a) "Evidence-based" means a program or practice that has had 2 multiple site random controlled trials across heterogeneous 3 populations demonstrating that the program or practice is effective 4 for the population; and
 - (b) "Research-based" means a program or practice that has some research demonstrating effectiveness, but that does not yet meet the standard of evidence-based practices.
- 8 (2) If the offender fails to comply with the suspended 9 disposition, the court may impose sanctions pursuant to RCW 13.40.200 10 or may revoke the suspended disposition and order the disposition's 11 execution.
- 12 (3) An offender is ineligible for the suspended disposition 13 option under this section if the offender:
 - (a) Is adjudicated of an A+ or A++ offense;

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- 15 (b) Is fourteen years of age or older and is adjudicated of one 16 or more of the following offenses:
- 17 (i) A class A offense, or an attempt, conspiracy, or solicitation 18 to commit a class A offense;
- 19 (ii) Manslaughter in the first degree (RCW 9A.32.060);
- (iii) Assault in the second degree (RCW 9A.36.021), extortion in the first degree (RCW 9A.56.120), kidnapping in the second degree (RCW 9A.40.030), drive-by shooting (RCW 9A.36.045), vehicular homicide (RCW 46.61.520), hit and run death (RCW 46.52.020(4)(a)), or manslaughter 2 (RCW 9A.32.070); or
 - (iv) Violation of the uniform controlled substances act (RCW 69.50.401(2) (a) and (b)), when the offense includes infliction of bodily harm upon another or when during the commission or immediate withdrawal from the offense the respondent was armed with a deadly weapon;
- 30 (c) Is ordered to serve a disposition for a firearm violation 31 under RCW 13.40.193;
- 32 (d) Is adjudicated of a sex offense as defined in RCW 9.94A.030; 33 or
- 34 (e) Has a prior option B disposition.

35 **OR**

36 OPTION C

37 CHEMICAL DEPENDENCY/MENTAL HEALTH DISPOSITION ALTERNATIVE

If the juvenile offender is subject to a standard range disposition of local sanctions or 15 to 36 weeks of confinement and

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1 has not committed a B++ or B+ offense, the court may impose a disposition under RCW 13.40.160(4) and 13.40.165.

OR

4 OPTION D

MANIFEST INJUSTICE

- If the court determines that a disposition under option A, B, or C would effectuate a manifest injustice, the court shall impose a disposition outside the standard range under RCW 13.40.160(2).
- **Sec. 8.** RCW 15.13.270 and 2014 c 140 s 32 are each amended to 10 read as follows:
 - (1) The provisions of this chapter relating to nursery dealer licensing do not apply to: (a) Persons making casual or isolated sales that do not exceed one hundred dollars annually; (b) any garden club, conservation district, or charitable nonprofit association conducting not more than three sales per year for not more than four consecutive days each of horticultural plants which are grown by or donated to its members; (c) educational organizations associated with private or public secondary schools; and (d) the production of ((marijuana)) cannabis and persons who are licensed as ((marijuana)) cannabis producers under RCW 69.50.325 with respect to the operations under such license. For the purposes of this subsection, the terms (("marijuana" and "marijuana") "cannabis" and "cannabis producer" have the same meanings as provided in RCW 69.50.101. However, such a club, conservation district, association, or organization must apply to the director for a permit to conduct such sales.
- 26 (2) All horticultural plants sold under such a permit must be in compliance with the provisions of this chapter.
- **Sec. 9.** RCW 15.13.270 and 2014 c 140 s 32 are each amended to 29 read as follows:
 - (1) The provisions of this chapter relating to licensing do not apply to: (a) Persons making casual or isolated sales that do not exceed one hundred dollars annually; (b) any garden club, conservation district, or charitable nonprofit association conducting not more than three sales per year for not more than four consecutive days each of horticultural plants which are grown by or donated to its members; (c) educational organizations associated with private or public secondary schools; and (d) the production of ((marijuana))

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- 1 $\underline{\text{cannabis}}$ and persons who are licensed as (($\underline{\text{marijuana}}$)) $\underline{\text{cannabis}}$
- 2 producers under RCW 69.50.325 with respect to the operations under
- 3 such license. For the purposes of this subsection, the terms
- 4 (("marijuana" and "marijuana")) "cannabis" and "cannabis producer"
- 5 have the same meanings as provided in RCW 69.50.101. However, such a
- 6 club, conservation district, association, or organization must apply
- 7 to the director for a permit to conduct such sales.
- 8 (2) All horticultural plants sold under such a permit must be in compliance with the provisions of this chapter.
- 10 **Sec. 10.** RCW 15.17.020 and 2016 c 229 s 2 are each amended to 11 read as follows:
- 12 For the purpose of this chapter:

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- (1) "Agent" means broker, commission merchant, solicitor, seller, or consignor, and any other person acting upon the actual or implied authority of another.
 - (2) "Certification" means, but is not limited to, the issuance by the director of an inspection certificate or other official document stating the grade, classification, and/or condition of any fruits or vegetables, and/or if the fruits or vegetables are free of plant pests and/or other defects.
 - (3) "Combination grade" means two or more grades packed together as one, except cull grades, with a minimum percent of the product of the higher grade, as established by rule.
 - (4) "Compliance agreement" means an agreement entered into between the department and a shipper or packer, that authorizes the shipper or packer to issue certificates of compliance for fruits and vegetables.
 - (5) "Container" means any container or subcontainer used to prepackage any fruits or vegetables. This does not include a container used by a retailer to package fruits or vegetables sold from a bulk display to a consumer.
 - (6) "Deceptive arrangement or display" means any bulk lot or load, arrangement, or display of fruits or vegetables which has in the exposed surface, fruits or vegetables which are so superior in quality, size, condition, or any other respect to those which are concealed, or the unexposed portion, as to materially misrepresent any part of the bulk lot or load, arrangement, or display.
- 38 (7) "Deceptive pack" means the pack of any container which has in 39 the outer layer or any exposed surface fruits or vegetables which are

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- in quality, size, condition, or any other respect so superior to 1 those in the interior of the container in the unexposed portion as to 2 materially misrepresent the contents. Such pack is deceptive when the 3 outer or exposed surface is composed of fruits or vegetables whose 4 size is not an accurate representation of the variation of the size 5 6 of the fruits or vegetables in the entire container, even though the 7 fruits or vegetables in the container are virtually uniform in size or comply with the specific standards adopted under this chapter. 8
- 9 (8) "Department" means the department of agriculture of the state 10 of Washington.

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- (9) "Director" means the director of the department or his or her duly authorized representative.
- (10) "Facility" means, but is not limited to, the premises where fruits and vegetables are grown, stored, handled, or delivered for sale or transportation, and all vehicles and equipment, whether aerial or surface, used to transport fruits and vegetables.
- (11) "Fruits and vegetables" means any unprocessed fruits or vegetables, but does not include ((marijuana)) cannabis as defined in RCW 69.50.101.
- (12) "Handler" means any person engaged in the business of handling, selling, processing, storing, shipping, or distributing fruits or vegetables that he or she has purchased or acquired from a producer.
- 24 (13) "Inspection" means, but is not limited to, the inspection by 25 the director of any fruits or vegetables at any time prior to, 26 during, or subsequent to harvest.
 - (14) "Mislabel" means the placing or presence of any false or misleading statement, design, or device upon any wrapper, container, container label or lining, or any placard used in connection with and having reference to fruits or vegetables.
- 31 (15) "Person" means any individual, firm, partnership, 32 corporation, company, society, or association, and every officer, 33 agent, or employee thereof.
 - (16) "Plant pests" means, but is not limited to, any living stage of any insects, mites, nematodes, slugs, snails, protozoa, or other invertebrate animals, bacteria, fungi, viruses, or any organisms similar to or allied with any of the foregoing, or any infectious substance, which can directly or indirectly injure or cause disease or damage in any plant or parts thereof, or any processed, manufactured, or other products of plants.

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- 1 (17) "Sell" means to sell, offer for sale, hold for sale, or ship 2 or transport in bulk or in containers.
- 3 (18) "Standards" means grades, classifications, and other 4 inspection criteria for fruits and vegetables.
- 5 **Sec. 11.** RCW 15.49.061 and 2014 c 140 s 34 are each amended to 6 read as follows:
 - (1) The provisions of this chapter do not apply to ((marijuana)) cannabis seed. For the purposes of this subsection, ((marijuana")) "cannabis" has the same meaning as defined in RCW 69.50.101.
- 10 (2) The provisions of RCW 15.49.011 through 15.49.051 do not 11 apply:
 - (a) To seed or grain not intended for sowing purposes;

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- (b) To seed in storage by, or being transported or consigned to a conditioning establishment for conditioning if the invoice or labeling accompanying the shipment of such seed bears the statement "seeds for conditioning" and if any labeling or other representation that may be made with respect to the unconditioned seed is subject to this chapter;
- 19 (c) To any carrier with respect to any seed transported or 20 delivered for transportation in the ordinary course of its business 21 as a carrier if the carrier is not engaged in producing, 22 conditioning, or marketing seeds subject to this chapter; or
 - (d) Seed stored or transported by the grower of the seed.
 - (3) No person may be subject to the penalties of this chapter for having sold or offered for sale seeds subject to this chapter that were incorrectly labeled or represented as to kind, species, variety, or type, which seeds cannot be identified by examination thereof, unless he or she has failed to obtain an invoice, genuine grower's declaration, or other labeling information and to take such other precautions as may be reasonable to ensure the identity to be that stated. A genuine grower's declaration of variety shall affirm that the grower holds records of proof concerning parent seed, such as invoice and labels.
- 34 **Sec. 12.** RCW 15.125.010 and 2017 c 317 s 18 are each amended to 35 read as follows:
- The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.
 - (1) "Board" means the state liquor and cannabis board.

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- 1 (2) "Licensee facilities" means any premises regulated by the 2 board for producing, processing, or retailing ((marijuana)) cannabis 3 or ((marijuana)) cannabis products.
- 4 (3) (("Marijuana")) "Cannabis" has the meaning provided in RCW 5 69.50.101.
- 6 (4) (("Marijuana)) "Cannabis processor" has the meaning provided 7 in RCW 69.50.101.
- 8 (5) (("Marijuana)) "Cannabis producer" has the meaning provided 9 in RCW 69.50.101.
- 10 (6) (("Marijuana)) "Cannabis products" has the meaning provided 11 in RCW 69.50.101.
- 12 (7) (("Marijuana)) "Cannabis retailer" has the meaning provided 13 in RCW 69.50.101.
- 14 (8) "Person" means any natural person, firm, partnership, 15 association, private or public corporation, governmental entity, or 16 other business entity.
- 17 **Sec. 13.** RCW 15.125.020 and 2017 c 317 s 19 are each amended to 18 read as follows:
- 19 (1) The department may adopt rules establishing:

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- 20 (a) Standards for ((marijuana and marijuana)) cannabis and cannabis products produced and processed in a manner consistent with, to the extent practicable, 7 C.F.R. Part 205;
 - (b) A self-sustaining program for certifying ((marijuana)) cannabis producers and ((marijuana)) cannabis processors as meeting the standards established under (a) of this subsection; and
 - (c) Other rules as necessary for administration of this chapter.
- 27 (2) To the extent practicable, the program must be consistent 28 with the program established by the director under chapter 15.86 RCW.
- 29 (3) The rules must include a fee schedule that will provide for 30 the recovery of the full cost of the program including, but not 31 limited to, application processing, inspections, sampling and 32 testing, notifications, public awareness programs, and enforcement.
- 33 **Sec. 14.** RCW 15.125.030 and 2017 c 317 s 20 are each amended to read as follows:
- 35 (1) No ((marijuana or marijuana)) <u>cannabis</u> or <u>cannabis</u> product 36 may be labeled, sold, or represented as produced or processed under 37 the standards established under this chapter unless produced or

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- 1 processed by a person certified by the department under the program 2 established under this chapter.
 - (2) No person may represent, sell, or offer for sale any ((marijuana or marijuana)) cannabis or cannabis products as produced or processed under standards adopted under this chapter if the person knows, or has reason to know, that the ((marijuana or marijuana)) cannabis or cannabis product has not been produced or processed in conformance with the standards established under this chapter.
- 9 (3) No person may represent, sell, or offer for sale any 10 ((marijuana or marijuana)) cannabis or cannabis products as "organic products" as that term has meaning under chapter 15.86 RCW.
- 12 **Sec. 15.** RCW 15.125.040 and 2017 c 317 s 21 are each amended to 13 read as follows:
- 14 (1) The department may inspect licensee facilities to verify 15 compliance with this chapter and rules adopted under it.
- 16 (2) The department may deny, suspend, or revoke a certification 17 provided for in this chapter if the department determines that an 18 applicant or certified person has violated this chapter or rules 19 adopted under it.
- 20 (3) The department may impose on and collect from any person who 21 has violated this chapter or rules adopted under it a civil fine not 22 exceeding the total of:
 - (a) The state's estimated costs of investigating and taking appropriate administrative and enforcement actions for the violation; and
 - (b) One thousand dollars.

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- (4) The board may take enforcement actions against a ((marijuana)) cannabis producer, ((marijuana)) cannabis processor, or ((marijuana)) cannabis retailer license issued by the board, including suspension or revocation of the license, when a licensee continues to violate this chapter after revocation of its certification or, if uncertified, receiving written notice from the department of certification requirements.
- 34 (5) The provisions of this chapter are cumulative and 35 nonexclusive and do not affect any other remedy at law.
- 36 **Sec. 16.** RCW 15.125.050 and 2017 c 317 s 22 are each amended to read as follows:

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- Information about ((marijuana)) cannabis producers, ((marijuana))
 cannabis processors, and ((marijuana)) cannabis retailers otherwise
 exempt from public inspection and copying under chapter 42.56 RCW is
 also exempt from public inspection and copying if submitted to or
 used by the department.
- 6 **Sec. 17.** RCW 15.140.020 and 2019 c 158 s 2 are each amended to read as follows:
- 8 The definitions in this section apply throughout this chapter 9 unless the context clearly requires otherwise.
- 10 (1) "Agriculture improvement act of 2018" means sections 7605, 11 10113, 10114, and 12619 of the agriculture improvement act of 2018, 12 P.L. 115-334.
 - (2) "Cannabis" has the meaning provided in RCW 69.50.101.
- 14 (3) "Crop" means hemp grown as an agricultural commodity.

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- 15 $((\frac{3}{1}))$ $\underline{(4)}$ "Cultivar" means a variation of the plant *Cannabis* 16 sativa L. that has been developed through cultivation by selective 17 breeding.
- 18 $((\frac{4}{}))$ <u>(5)</u> "Department" means the Washington state department of agriculture.
- 20 (((5))) <u>(6)</u> "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.
 - $((\frac{(6)}{(6)}))$ <u>(7)</u> (a) "Industrial hemp" means all parts and varieties of the genera *Cannabis*, cultivated or possessed by a grower, whether growing or not, that contain a tetrahydrocannabinol concentration of 0.3 percent or less by dry weight that was grown under the industrial hemp research program as it existed on December 31, 2019.
- 30 (b) "Industrial hemp" does not include plants of the genera 31 Cannabis that meet the definition of (("marijuana" as defined in RCW 32 69.50.101)) cannabis.
- $((\frac{(7)}{)})$ (8) "Postharvest test" means a test of delta-9 tetrahydrocannabinol concentration levels of hemp after being harvested based on:
 - (a) Ground whole plant samples without heat applied; or
- 37 (b) Other approved testing methods.
- 38 $((\frac{(8)}{)})$ "Process" means the processing, compounding, or conversion of hemp into hemp commodities or products.

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- $((\frac{(9)}{(9)}))$ <u>(10)</u> "Produce" or "production" means the planting, 2 cultivation, growing, or harvesting of hemp including hemp seed.
- **Sec. 18.** RCW 15.140.100 and 2019 c 158 s 10 are each amended to 4 read as follows:
 - (1) There is no distance requirement, limitation, or buffer zone between any licensed hemp producer or hemp processing facility licensed or authorized under this chapter and any ((marijuana)) cannabis producer or ((marijuana)) cannabis processor licensed under chapter 69.50 RCW. No rule may establish such a distance requirement, limitation, or buffer zone without the evaluation of sufficient data showing impacts to either crop as a result of cross-pollination.
 - (2) Notwithstanding subsection (1) of this section, in an effort to prevent cross-pollination between hemp plants produced under this chapter and ((marijuana)) cannabis plants produced under chapter 69.50 RCW, the department, in consultation with the liquor and cannabis board, must review the state's policy regarding cross-pollination and pollen capture to ensure an appropriate policy is in place, and must modify policies or establish new policies as appropriate. Under any such policy, when a documented conflict involving cross-pollination exists between two farms or production facilities growing or producing hemp or ((marijuana)) cannabis, the farm or production facility operating first in time shall have the right to continue operating and the farm or production facility operating second in time must cease growing or producing hemp or ((marijuana)) cannabis, as applicable.
- **Sec. 19.** RCW 15.140.120 and 2019 c 158 s 16 are each amended to read as follows:

Beginning on April 26, 2019:

- (1) No law or rule related to certified or interstate hemp seeds applies to or may be enforced against a person with a license to produce or process hemp issued under this chapter ((or chapter 15.120 RCW)); and
- (2) No department or other state agency rule may establish or enforce a buffer zone or distance requirement between a person with a license or authorization to produce or process hemp under this chapter ((or chapter 15.120 RCW)) and a person with a license to produce or process ((marijuana)) cannabis issued under chapter 69.50 RCW. The department may not adopt rules without the evaluation of

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- sufficient data showing impacts to either crop as a result of cross-pollination.
- **Sec. 20.** RCW 18.170.020 and 2015 2nd sp.s. c 4 s 504 are each 4 amended to read as follows:

The requirements of this chapter do not apply to:

- (1) A person who is employed exclusively or regularly by one employer and performs the functions of a private security guard solely in connection with the affairs of that employer, if the employer is not a private security company. However, in accordance with RCW 69.50.382, an employee engaged in ((marijuana-related)) cannabis-related transportation or delivery services on behalf of a common carrier must be licensed as an armed private security guard under this chapter in order to be authorized to carry or use a firearm while providing such services;
- (2) A sworn peace officer while engaged in the performance of the officer's official duties;
 - (3) A sworn peace officer while employed by any person to engage in off-duty employment as a private security guard, but only if the employment is approved by the chief law enforcement officer of the jurisdiction where the employment takes place and the sworn peace officer does not employ, contract with, or broker for profit other persons to assist him or her in performing the duties related to his or her private employer; or
 - (4)(a) A person performing crowd management or guest services including, but not limited to, a person described as a ticket taker, usher, door attendant, parking attendant, crowd monitor, or event staff who:
- (i) Does not carry a firearm or other dangerous weapon including, but not limited to, a stun gun, taser, pepper mace, or nightstick;
- (ii) Does not wear a uniform or clothing readily identifiable by a member of the public as that worn by a private security officer or law enforcement officer; and
- (iii) Does not have as his or her primary responsibility the detainment of persons or placement of persons under arrest.
- (b) The exemption provided in this subsection applies only when a crowd has assembled for the purpose of attending or taking part in an organized event, including preevent assembly, event operation hours, and postevent departure activities.

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- 1 **Sec. 21.** RCW 19.02.110 and 2017 c 138 s 3 are each amended to 2 read as follows:
 - (1) In addition to the licenses processed under the business licensing system prior to April 1, 1982, on July 1, 1982, use of the business licensing system is expanded as provided by this section.
 - (2) Applications for the following must be filed with the business licensing service and must be processed, and renewals must be issued, under the business licensing system:
 - (a) Nursery dealer's licenses required by chapter 15.13 RCW;
 - (b) Seed dealer's licenses required by chapter 15.49 RCW;
 - (c) Pesticide dealer's licenses required by chapter 15.58 RCW;
 - (d) Shopkeeper's licenses required by chapter 18.64 RCW;
- (e) Egg dealer's licenses required by chapter 69.25 RCW; and
- 14 (f) ((Marijuana-infused)) <u>Cannabis-infused</u> edible endorsements 15 required by chapter 69.07 RCW.
- 16 **Sec. 22.** RCW 20.01.030 and 2014 c 140 s 35 are each amended to read as follows:

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- Any cooperative marketing associations or federations incorporated under, or whose articles of incorporation and bylaws are equivalent to, the requirements of chapter 23.86 RCW, except as to that portion of the activities of the association or federation that involve the handling or dealing in the agricultural products of nonmembers of the organization: PROVIDED, That the associations or federations may purchase up to fifteen percent of their gross from nonmembers for the purpose of filling orders: PROVIDED FURTHER, That if the cooperative or association acts as a processor as defined in RCW 20.01.500(2) and markets the processed agricultural crops on behalf of the grower or its own behalf, the association or federation is subject to the provisions of RCW 20.01.500 through 20.01.560 and the license provision of this chapter excluding bonding provisions: PROVIDED FURTHER, That none of the foregoing exemptions in this subsection apply to any such cooperative or federation dealing in or handling grain in any manner, and not licensed under the provisions of chapter 22.09 RCW;
- 36 (2) Any person who sells exclusively his or her own agricultural products as the producer thereof;
- 38 (3) Any public livestock market operating under a bond required 39 by law or a bond required by the United States to secure the

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- performance of the public livestock market's obligation. However, any 1 such market operating as a livestock dealer or order buyer, or both, 2 is subject to all provisions of this chapter except for the payment 3 of the license fee required in RCW 20.01.040; 4
- (4) Any retail merchant having a bona fide fixed or permanent 5 6 place of business in this state, but only for the retail merchant's 7 retail business conducted at such fixed or established place of 8 business;
- 9 (5) Any person buying farm products for his or her own use or 10 consumption;
- 11 (6) Any warehouse operator or grain dealer licensed under the state grain warehouse act, chapter 22.09 RCW, with respect to his or 12 her handling of any agricultural product as defined under that 13 14 chapter;
- (7) Any nursery dealer who is required to be licensed under the 15 horticultural laws of the state with respect to his or her operations 16 17 as such licensee;
- (8) Any person licensed under the now existing dairy laws of the 18 state with respect to his or her operations as such licensee; 19
 - (9) Any producer who purchases less than fifteen percent of his or her volume to complete orders;

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- (10) Any person, association, or corporation regulated under chapter 67.16 RCW and the rules adopted thereunder while performing acts regulated by that chapter and the rules adopted thereunder;
- (11) Any domestic winery, as defined in RCW 66.04.010, licensed under Title 66 RCW, with respect to its transactions involving agricultural products used by the domestic winery in making wine;
- (12) Any person licensed as a ((marijuana)) cannabis producer or processor under RCW 69.50.325 with respect to the operations under such license. The definitions in RCW 69.50.101 apply to this subsection (12).
- Sec. 23. RCW 28A.210.325 and 2019 c 204 s 1 are each amended to read as follows: 33
- 34 (1) A school district must permit a student who meets the 35 requirements of RCW 69.51A.220 to consume ((marijuana-infused)) cannabis-infused products for medical purposes on school grounds, 36 aboard a school bus, or while attending a school-sponsored event in 37 accordance with the school district's policy adopted under this 38 section. 39

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(2) Upon the request of a parent or guardian of a student who meets the requirements of RCW 69.51A.220, the board of directors of a school district shall adopt a policy to authorize parents or guardians to administer ((marijuana-infused)) cannabis-infused products to a student for medical purposes while the student is on school grounds, aboard a school bus, or attending a school-sponsored event. The policy must, at a minimum:

- (a) Require that the student be authorized to use ((marijuana-infused)) cannabis-infused products for medical purposes pursuant to RCW 69.51A.220 and that the parent or guardian acts as the designated provider for the student and assists the student with the consumption of the ((marijuana)) cannabis while on school grounds, aboard a school bus, or attending a school-sponsored event;
- (b) Establish protocols for verifying the student is authorized to use ((marijuana)) cannabis for medical purposes and the parent or guardian is acting as the designated provider for the student pursuant to RCW 69.51A.220. The school may consider a student's and parent's or guardian's valid recognition cards to be proof of compliance with RCW 69.51A.220;
- (c) Expressly authorize parents or guardians of students who have been authorized to use ((marijuana)) cannabis for medical purposes to administer ((marijuana-infused)) cannabis-infused products to the student while the student is on school grounds at a location identified pursuant to (d) of this subsection (2), aboard a school bus, or attending a school-sponsored event;
- (d) Identify locations on school grounds where ((marijuana-infused)) cannabis-infused products may be administered; and
- (e) Prohibit the administration of medical ((marijuana)) cannabis to a student by smoking or other methods involving inhalation while the student is on school grounds, aboard a school bus, or attending a school-sponsored event.
- (3) School district officials, employees, volunteers, students, and parents and guardians acting in accordance with the school district policy adopted under subsection (2) of this section may not be arrested, prosecuted, or subject to other criminal sanctions, or civil or professional consequences for possession, manufacture, or delivery of, or for possession with intent to manufacture or deliver ((marijuana)) cannabis under state law, or have real or personal property seized or forfeited for possession, manufacture, or delivery

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- of, or possession with intent to manufacture or deliver ((marijuana))

 cannabis under state law.
- 3 (4) For the purposes of this section, (("marijuana-infused))
 4 "cannabis-infused products" has the meaning provided in RCW
 5 69.50.101.
- 6 **Sec. 24.** RCW 28B.20.502 and 2015 2nd sp.s. c 4 s 1502 are each 7 amended to read as follows:

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- (1) The University of Washington and Washington State University may conduct scientific research on the efficacy and safety of administering ((marijuana)) cannabis as part of medical treatment. As part of this research, the University of Washington and Washington State University may develop and conduct studies to ascertain the general medical safety and efficacy of ((marijuana)) cannabis, and may develop medical guidelines for the appropriate administration and use of ((marijuana)) cannabis.
- 16 (2) The University of Washington and Washington State University
 17 may, in accordance with RCW 69.50.372, contract with ((marijuana))
 18 cannabis research licensees to conduct research permitted under this
 19 section and RCW 69.50.372.
 - (3) The University of Washington and Washington State University may contract to conduct ((marijuana)) cannabis research with an entity licensed to conduct such research by a federally recognized Indian tribe located within the geographical boundaries of the state of Washington.
- 25 <u>(4) For the purposes of this section, "cannabis" has the meaning</u> 26 <u>provided in RCW 69.50.101.</u>
- 27 **Sec. 25.** RCW 38.38.762 and 2009 c 378 s 25 are each amended to 28 read as follows:
- 29 (1) Any person subject to this code who wrongfully uses, 30 possesses, distributes, or introduces into an installation, vessel, 31 vehicle, or aircraft used by or under the control of the armed forces 32 or organized militia a substance described in subsection (2) of this 33 section shall be punished as a court-martial may direct.
- 34 (2) The substances referred to in subsection (1) of this section 35 are the following:
- 36 (a) Opium, heroin, cocaine, amphetamine, lysergic acid 37 diethylamide, methamphetamine, phencyclidine, barbituric acid, and

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- 1 ((marijuana)) cannabis and any compound or derivative of any such 2 substance;
- 3 (b) Any substance not specified in (a) of this subsection that is 4 listed on a schedule of controlled substances prohibited by the 5 United States army; or
- 6 (c) Any other substance not specified in this subsection that is
 7 listed in Schedules I through V of section 202 of the federal
 8 controlled substances act, 21 U.S.C. Sec. 812, as amended.
- 9 (3) For the purposes of this section, "cannabis" has the meaning provided in RCW 69.50.101.
- 11 **Sec. 26.** RCW 42.56.270 and 2020 c 238 s 11 are each amended to 12 read as follows:
- The following financial, commercial, and proprietary information is exempt from disclosure under this chapter:

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- (1) Valuable formulae, designs, drawings, computer source code or object code, and research data obtained by any agency within five years of the request for disclosure when disclosure would produce private gain and public loss;
 - (2) Financial information supplied by or on behalf of a person, firm, or corporation for the purpose of qualifying to submit a bid or proposal for (a) a ferry system construction or repair contract as required by RCW 47.60.680 through 47.60.750; (b) highway construction or improvement as required by RCW 47.28.070; or (c) alternative public works contracting procedures as required by RCW 39.10.200 through 39.10.905;
 - (3) Financial and commercial information and records supplied by private persons pertaining to export services provided under chapters 43.163 and 53.31 RCW, and by persons pertaining to export projects under RCW 43.23.035;
 - (4) Financial and commercial information and records supplied by businesses or individuals during application for loans or program services provided by chapters 43.325, 43.163, 43.160, 43.330, and 43.168 RCW, or during application for economic development loans or program services provided by any local agency;
- 35 (5) Financial information, business plans, examination reports, 36 and any information produced or obtained in evaluating or examining a 37 business and industrial development corporation organized or seeking 38 certification under chapter 31.24 RCW;

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(6) Financial and commercial information supplied to the state investment board by any person when the information relates to the investment of public trust or retirement funds and when disclosure would result in loss to such funds or in private loss to the providers of this information;

- (7) Financial and valuable trade information under RCW 51.36.120;
- (8) Financial, commercial, operations, and technical and research information and data submitted to or obtained by the clean Washington center in applications for, or delivery of, program services under chapter 70.95H RCW;
- (9) Financial and commercial information requested by the public stadium authority from any person or organization that leases or uses the stadium and exhibition center as defined in RCW 36.102.010;
- (10)(a) Financial information, including but not limited to account numbers and values, and other identification numbers supplied by or on behalf of a person, firm, corporation, limited liability company, partnership, or other entity related to an application for a horse racing license submitted pursuant to RCW 67.16.260(1)(b), ((marijuana)) cannabis producer, processor, or retailer license, liquor license, gambling license, or lottery retail license;
- (b) Internal control documents, independent auditors' reports and financial statements, and supporting documents: (i) Of house-banked social card game licensees required by the gambling commission pursuant to rules adopted under chapter 9.46 RCW; or (ii) submitted by tribes with an approved tribal/state compact for class III gaming;
- (c) Valuable formulae or financial or proprietary commercial information records received during a consultative visit or while providing consultative services to a licensed ((marijuana)) cannabis business in accordance with RCW 69.50.561;
- (11) Proprietary data, trade secrets, or other information that relates to: (a) A vendor's unique methods of conducting business; (b) data unique to the product or services of the vendor; or (c) determining prices or rates to be charged for services, submitted by any vendor to the department of social and health services or the health care authority for purposes of the development, acquisition, or implementation of state purchased health care as defined in RCW 41.05.011;
- 38 (12)(a) When supplied to and in the records of the department of commerce:

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1 (i) Financial and proprietary information collected from any 2 person and provided to the department of commerce pursuant to RCW 3 43.330.050(8); and

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- (ii) Financial or proprietary information collected from any person and provided to the department of commerce or the office of the governor in connection with the siting, recruitment, expansion, retention, or relocation of that person's business and until a siting decision is made, identifying information of any person supplying information under this subsection and the locations being considered for siting, relocation, or expansion of a business;
- 11 (b) When developed by the department of commerce based on 12 information as described in (a)(i) of this subsection, any work 13 product is not exempt from disclosure;
 - (c) For the purposes of this subsection, "siting decision" means the decision to acquire or not to acquire a site;
 - (d) If there is no written contact for a period of sixty days to the department of commerce from a person connected with siting, recruitment, expansion, retention, or relocation of that person's business, information described in (a)(ii) of this subsection will be available to the public under this chapter;
- 21 (13) Financial and proprietary information submitted to or 22 obtained by the department of ecology or the authority created under 23 chapter ((70.95N)) 70A.500 RCW; to implement chapter ((70.95N)) 70A.500 RCW;
 - (14) Financial, commercial, operations, and technical and research information and data submitted to or obtained by the life sciences discovery fund authority in applications for, or delivery of, grants under RCW 43.330.502, to the extent that such information, if revealed, would reasonably be expected to result in private loss to the providers of this information;
- 31 (15) Financial and commercial information provided as evidence to 32 the department of licensing as required by RCW 19.112.110 or 33 19.112.120, except information disclosed in aggregate form that does 34 not permit the identification of information related to individual 35 fuel licensees;
 - (16) Any production records, mineral assessments, and trade secrets submitted by a permit holder, mine operator, or landowner to the department of natural resources under RCW 78.44.085;
- 39 (17)(a) Farm plans developed by conservation districts, unless 40 permission to release the farm plan is granted by the landowner or

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operator who requested the plan, or the farm plan is used for the application or issuance of a permit;

- (b) Farm plans developed under chapter 90.48 RCW and not under the federal clean water act, 33 U.S.C. Sec. 1251 et seq., are subject to RCW 42.56.610 and 90.64.190;
- (18) Financial, commercial, operations, and technical and research information and data submitted to or obtained by a health sciences and services authority in applications for, or delivery of, grants under RCW 35.104.010 through 35.104.060, to the extent that such information, if revealed, would reasonably be expected to result in private loss to providers of this information;
- 12 (19) Information gathered under chapter 19.85 RCW or RCW 34.05.328 that can be identified to a particular business;
 - (20) Financial and commercial information submitted to or obtained by the University of Washington, other than information the university is required to disclose under RCW 28B.20.150, when the information relates to investments in private funds, to the extent that such information, if revealed, would reasonably be expected to result in loss to the University of Washington consolidated endowment fund or to result in private loss to the providers of this information;
- 22 (21) Market share data submitted by a manufacturer under RCW ((70.95N.190(4))) 70A.500.190(4);
 - (22) Financial information supplied to the department of financial institutions, when filed by or on behalf of an issuer of securities for the purpose of obtaining the exemption from state securities registration for small securities offerings provided under RCW 21.20.880 or when filed by or on behalf of an investor for the purpose of purchasing such securities;
 - (23) Unaggregated or individual notices of a transfer of crude oil that is financial, proprietary, or commercial information, submitted to the department of ecology pursuant to RCW 90.56.565(1)(a), and that is in the possession of the department of ecology or any entity with which the department of ecology has shared the notice pursuant to RCW 90.56.565;
- 36 (24) Financial institution and retirement account information, 37 and building security plan information, supplied to the liquor and 38 cannabis board pursuant to RCW 69.50.325, 69.50.331, 69.50.342, and 39 69.50.345, when filed by or on behalf of a licensee or prospective 40 licensee for the purpose of obtaining, maintaining, or renewing a

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license to produce, process, transport, or sell ((marijuana)) cannabis as allowed under chapter 69.50 RCW;

- (25) ((Marijuana)) Cannabis transport information, vehicle and driver identification data, and account numbers or unique access identifiers issued to private entities for traceability system access, submitted by an individual or business to the liquor and cannabis board under the requirements of RCW 69.50.325, 69.50.331, 69.50.342, and 69.50.345 for the purpose of ((marijuana)) cannabis product traceability. Disclosure to local, state, and federal officials is not considered public disclosure for purposes of this section;
- (26) Financial and commercial information submitted to or obtained by the retirement board of any city that is responsible for the management of an employees' retirement system pursuant to the authority of chapter 35.39 RCW, when the information relates to investments in private funds, to the extent that such information, if revealed, would reasonably be expected to result in loss to the retirement fund or to result in private loss to the providers of this information except that (a) the names and commitment amounts of the private funds in which retirement funds are invested and (b) the aggregate quarterly performance results for a retirement fund's portfolio of investments in such funds are subject to disclosure;
- (27) Proprietary financial, commercial, operations, and technical and research information and data submitted to or obtained by the liquor and cannabis board in applications for ((marijuana)) cannabis research licenses under RCW 69.50.372, or in reports submitted by ((marijuana)) cannabis research licensees in accordance with rules adopted by the liquor and cannabis board under RCW 69.50.372;
- (28) Trade secrets, technology, proprietary information, and financial considerations contained in any agreements or contracts, entered into by a licensed ((marijuana)) cannabis business under RCW 69.50.395, which may be submitted to or obtained by the state liquor and cannabis board;
- 34 (29) Financial, commercial, operations, and technical and 35 research information and data submitted to or obtained by the Andy 36 Hill cancer research endowment program in applications for, or 37 delivery of, grants under chapter 43.348 RCW, to the extent that such 38 information, if revealed, would reasonably be expected to result in 39 private loss to providers of this information;

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1 (30) Proprietary information filed with the department of health 2 under chapter 69.48 RCW;

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- (31) Records filed with the department of ecology under chapter ((70.375)) 70A.515 RCW that a court has determined are confidential valuable commercial information under RCW ((70.375.130)) 70A.515.130; and
- 7 (32) Unaggregated financial, proprietary, or commercial 8 information submitted to or obtained by the liquor and cannabis board 9 in applications for licenses under RCW 66.24.140 or 66.24.145, or in 10 any reports or remittances submitted by a person licensed under RCW 11 66.24.140 or 66.24.145 under rules adopted by the liquor and cannabis 12 board under chapter 66.08 RCW.
- 13 **Sec. 27.** RCW 42.56.620 and 2015 2nd sp.s. c 4 s 1504 are each 14 amended to read as follows:
- Reports submitted by ((marijuana)) cannabis research licensees in accordance with rules adopted by the state liquor and cannabis board under RCW 69.50.372 that contain proprietary information are exempt from disclosure under this chapter.
- 19 **Sec. 28.** RCW 42.56.625 and 2015 c 70 s 22 are each amended to 20 read as follows:
- Records in the medical ((marijuana)) cannabis authorization database established in RCW 69.51A.230 containing names and other personally identifiable information of qualifying patients and designated providers are exempt from disclosure under this chapter.
- 25 **Sec. 29.** RCW 42.56.630 and 2015 2nd sp.s. c 4 s 1002 are each amended to read as follows:
 - (1) Registration information submitted to the state liquor and cannabis board under RCW 69.51A.250 including the names of all participating members of a cooperative, copies of each member's recognition card, location of the cooperative, and other information required for registration by the state liquor and cannabis board is exempt from disclosure under this chapter.
- 33 (2) The definitions in this section apply throughout this section 34 unless the context clearly requires otherwise.
- 35 (a) "Cooperative" means a cooperative established under RCW 69.51A.250 to produce and process ((marijuana)) cannabis only for the medical use of members of the cooperative.

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- 1 (b) "Recognition card" has the same meaning as provided in RCW 69.51A.010.
- 3 **Sec. 30.** RCW 43.05.160 and 2019 c 394 s 2 are each amended to 4 read as follows:
- 5 (1) If, during an inspection or visit to a ((marijuana)) cannabis 6 business licensed under chapter 69.50 RCW that is not a technical 7 assistance visit, the liquor and cannabis board becomes aware of 8 conditions that are not in compliance with applicable laws and rules 9 enforced by the board and are not subject to civil penalties as 10 provided for in RCW 69.50.563, the board may issue a notice of 11 correction to the licensee that includes:
- 12 (a) A description of the condition that is not in compliance and 13 the text of the specific section or subsection of the applicable 14 state law or rule;
 - (b) A statement of what is required to achieve compliance;

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- 16 (c) The date by which the board requires compliance to be 17 achieved;
- 18 (d) Notice of the means to contact any technical assistance 19 services provided by the board or others; and
- 20 (e) Notice of when, where, and to whom a request to extend the 21 time to achieve compliance for good cause may be filed with the 22 board.
- 23 (2) A notice of correction is not a formal enforcement action, is 24 not subject to appeal, and is a public record.
- 25 (3) If the liquor and cannabis board issues a notice of correction, it may not issue a civil penalty for the violations 27 identified in the notice of correction unless the licensee fails to comply with the notice.
- 29 **Sec. 31.** RCW 43.06.490 and 2015 c 207 s 2 are each amended to 30 read as follows:
- 31 (1) The governor may enter into agreements with federally 32 recognized Indian tribes concerning ((marijuana. Marijuana)) 33 cannabis. Cannabis agreements may address any ((marijuana-related)) 34 cannabis-related issue that involves both state and tribal interests 35 or otherwise has an impact on tribal-state relations. Such agreements 36 may include, but are not limited to, the following provisions and 37 subject matter:
 - (a) Criminal and civil law enforcement;

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- 1 (b) Regulatory issues related to the commercial production,
 2 processing, sale, and possession of ((marijuana)) cannabis, and
 3 processed ((marijuana)) cannabis products, for both recreational and
 4 medical purposes;
 - (c) Medical and pharmaceutical research involving ((marijuana))
 cannabis;

- (d) Taxation in accordance with subsection (2) of this section;
- 8 (e) Any tribal immunities or preemption of state law regarding 9 the production, processing, or marketing of ((marijuana)) cannabis; 10 and
 - (f) Dispute resolution, including the use of mediation or other nonjudicial process.
 - (2) (a) Each ((marijuana)) cannabis agreement adopted under this section must provide for a tribal ((marijuana)) cannabis tax that is at least one hundred percent of the state ((marijuana)) cannabis excise tax imposed under RCW 69.50.535 and state and local sales and use taxes on sales of ((marijuana)) cannabis. ((Marijuana)) Cannabis agreements apply to sales in which tribes, tribal enterprises, or tribal member-owned businesses (i) deliver or cause delivery to be made to or receive delivery from a ((marijuana)) cannabis producer, processor, or retailer licensed under chapter 69.50 RCW or (ii) physically transfer possession of the ((marijuana)) cannabis from the seller to the buyer within Indian country.
 - (b) The tribe may allow an exemption from tax for sales to the tribe, tribal enterprises, tribal member-owned businesses, or tribal members(([,])), on ((marijuana)) <u>cannabis</u> grown, produced, or processed within its Indian country, or for activities to the extent they are exempt under state or federal law from the state ((marijuana)) <u>cannabis</u> excise tax imposed under RCW 69.50.535 or state and local sales or use taxes on sales of ((marijuana)) <u>cannabis</u>. Medical ((marijuana)) <u>cannabis</u> products used in the course of medical treatments by a clinic, hospital, or similar facility owned and operated by a federally recognized Indian tribe within its Indian country may be exempted from tax under the terms of an agreement entered into under this section.
 - (3) Any ((marijuana)) <u>cannabis</u> agreement relating to the production, processing, and sale of ((marijuana)) <u>cannabis</u> in Indian country, whether for recreational or medical purposes, must address the following issues:
 - (a) Preservation of public health and safety;

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- 1 (b) Ensuring the security of production, processing, retail, and 2 research facilities; and
 - (c) Cross-border commerce in ((marijuana)) cannabis.

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- (4) The governor may delegate the power to negotiate ((marijuana)) cannabis agreements to the state liquor ((control)) and cannabis board. In conducting such negotiations, the state liquor ((control)) and cannabis board must, when necessary, consult with the governor and/or the department of revenue.
- 9 (5) The definitions in this subsection apply throughout this section unless the context clearly requires otherwise.
 - (a) "Indian country" has the same meaning as in RCW 82.24.010.
- 12 (b) "Indian tribe" or "tribe" means a federally recognized Indian 13 tribe located within the geographical boundaries of the state of 14 Washington.
- (c) (("Marijuana")) "Cannabis" means (("marijuana," "marijuana))

 "cannabis," "cannabis concentrates," (("marijuana-infused))

 "cannabis-infused products," and "useable ((marijuana)) cannabis," as

 those terms are defined in RCW 69.50.101.
- 19 **Sec. 32.** RCW 43.06.520 and 2020 c 132 s 1 are each amended to 20 read as follows:
 - (1) The legislature intends to further the government-to-government relationship between the state of Washington and federally recognized Indian tribes in the state of Washington by authorizing the governor to enter into compacts concerning the state's retail sales, use, and business and occupation taxes on certain activities.
 - (2) The legislature finds that these compacts will benefit all Washingtonians by providing a means to promote economic development and providing needed revenues for tribal governments and Indian persons.
 - (3) The state and the tribes have a long-standing history of working together to develop cooperative agreements on taxation for cigarettes, fuel, timber, and ((marijuana)) cannabis. It is the legislature's intent, given the positive experiences from the nearly two decades of cooperation, to build on these successes and provide the governor with the authority to address state sales, use, and business and occupation taxes on certain activities.
- 37 (4) In addition, it is the legislature's intent that these 38 compacts will have no impact on the taxation of any transaction that

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- 1 is the subject of other compacts, contracts, or agreements authorized
- 2 elsewhere in this chapter.

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- 3 (5) For the purposes of this section, "cannabis" has the meaning provided in RCW 69.50.101.
- 5 **Sec. 33.** RCW 43.21A.735 and 2019 c 277 s 3 are each amended to 6 read as follows:
- 7 (1)(a) The cannabis science task force is established with 8 members as provided in this subsection.
- 9 (i) The directors, or the directors' appointees, of the 10 departments of agriculture, health, ecology, and the liquor and 11 cannabis board must each serve as members on the task force.
- 12 (ii) A majority of the four agency task force members will select 13 additional members, as follows:
 - (A) Representatives with expertise in chemistry, microbiology, toxicology, public health, and/or food and agricultural testing methods from state and local agencies and tribal governments; and
 - (B) Nongovernmental cannabis industry scientists.
- 18 (b) The director or the director's designee from the department 19 of ecology must serve as chair of the task force.
 - (2) (a) The cannabis science task force must:
- 21 (i) Collaborate on the development of appropriate laboratory 22 quality standards for ((marijuana)) cannabis product testing 23 laboratories;
 - (ii) Establish two work groups:
- 25 (A) A proficiency testing program work group to be led by the 26 department; and
 - (B) A laboratory quality standards work group to be led by the department of agriculture. At a minimum this work group will address appropriate approved testing methods, method validation protocols, and method performance criteria.
- 31 (b) The cannabis science task force may reorganize the work 32 groups or create additional work groups as necessary.
- 33 (3) Staff support for the cannabis science task force must be provided by the department.
- 35 (4) Reimbursement for members is subject to chapter 43.03 RCW.
- 36 (5) Expenses of the cannabis science task force must be paid by 37 the department.
- 38 (6) The cannabis science task force must submit a report to the 39 relevant committees of the legislature by July 1, 2020, that includes

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- 1 the findings and recommendations for laboratory quality standards for
- 2 pesticides in plants for ((marijuana)) cannabis product testing
- 3 laboratories. The report must include, but is not limited to,
- 4 recommendations relating to the following:
- 5 (a) Appropriate approved testing methods;
 - (b) Method validation protocols;
 - (c) Method performance criteria;
 - (d) Sampling and homogenization protocols;
- 9 (e) Proficiency testing; and

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- 10 (f) Regulatory updates related to (a) through (e) of this 11 subsection, by which agencies, and the timing of these updates.
 - (7) To the fullest extent possible, the task force must consult with other jurisdictions that have established, or are establishing, ((marijuana)) cannabis product testing programs.
 - (8) Following development of findings and recommendations for laboratory quality standards for pesticides in plants for ((marijuana)) cannabis product testing laboratories, the task force must develop findings and recommendations for additional laboratory quality standards, including, but not limited to, heavy metals in and potency of ((marijuana)) cannabis products.
 - (a) The cannabis science task force must submit a report on the findings and recommendations for these additional standards to the relevant committees of the legislature by December 1, 2021.
- 24 (b) The report must include recommendations pertaining to the 25 items listed in subsection (6)(a) through (f) of this section.
- 26 (9) The task force must hold its first meeting by September 1, 27 2019.
- 28 (10) This section expires December 31, 2022.
- 29 **Sec. 34.** RCW 43.330.540 and 2020 c 236 s 3 are each amended to 30 read as follows:
- 31 (1) The ((marijuana)) cannabis social equity technical assistance 32 competitive grant program is established and is to be administered by 33 the department.
- (2) The ((marijuana)) cannabis social equity technical assistance competitive grant program must award grants on a competitive basis to ((marijuana)) cannabis retailer license applicants who are social equity applicants submitting social equity plans under RCW 69.50.335. The department must award grants primarily based on the strength of the social equity plans submitted by applicants but may also consider

39 the social equity plans submitted by applicants but may also consider

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- 1 additional criteria if deemed necessary or appropriate by the department. Technical assistance activities eligible for funding 2 under the ((marijuana)) cannabis social equity technical assistance 3 competitive grant program include, but are not limited to: 4
- (a) Assistance navigating the ((marijuana)) cannabis retailer 5 6 licensure process;
 - (b) ((Marijuana-business)) Cannabis-business specific education and business plan development;
 - (c) Regulatory compliance training;

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- (d) Financial management training and assistance in seeking financing; and 11
 - (e) Connecting social equity applicants with established industry members and tribal ((marijuana)) cannabis enterprises and programs for mentoring and other forms of support approved by the (([Washington state liquor and cannabis])) liquor and cannabis board.
 - (3) Funding for the ((marijuana)) cannabis social technical assistance competitive grant program must be provided through the dedicated ((marijuana)) cannabis account under RCW 69.50.540. Additionally, the department may solicit, receive, and expend private contributions to support the grant program.
- (4) The department may adopt rules to implement this section. 21
- 22 NEW SECTION. Sec. 35. A new section is added to chapter 46.04 23 RCW to read as follows:
- 24 "Cannabis," except as otherwise provided in this title, has the 25 meaning provided in RCW 69.50.101.
- 26 Sec. 36. RCW 46.20.308 and 2019 c 232 s 21 are each amended to 27 read as follows:
 - (1) Any person who operates a motor vehicle within this state is deemed to have given consent, subject to the provisions of RCW 46.61.506, to a test or tests of his or her breath for the purpose of determining the alcohol concentration in his or her breath if arrested for any offense where, at the time of the arrest, the arresting officer has reasonable grounds to believe the person had been driving or was in actual physical control of a motor vehicle while under the influence of intoxicating liquor or any drug or was in violation of RCW 46.61.503.
- 37 (2) The test or tests of breath shall be administered at the 38 direction of a law enforcement officer having reasonable grounds to

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believe the person to have been driving or in actual physical control of a motor vehicle within this state while under the influence of intoxicating liquor or any drug or the person to have been driving or in actual physical control of a motor vehicle while having alcohol in a concentration in violation of RCW 46.61.503 in his or her system and being under the age of twenty-one. Prior to administering a breath test pursuant to this section, the officer shall inform the person of his or her right under this section to refuse the breath test, and of his or her right to have additional tests administered by any qualified person of his or her choosing as provided in RCW 46.61.506. The officer shall warn the driver, in substantially the following language, that:

(a) If the driver refuses to take the test, the driver's license, permit, or privilege to drive will be revoked or denied for at least one year; and

- (b) If the driver refuses to take the test, the driver's refusal to take the test may be used in a criminal trial; and
- (c) If the driver submits to the test and the test is administered, the driver's license, permit, or privilege to drive will be suspended, revoked, or denied for at least ninety days if:
- (i) The driver is age twenty-one or over and the test indicates either that the alcohol concentration of the driver's breath is 0.08 or more; or
- (ii) The driver is under age twenty-one and the test indicates either that the alcohol concentration of the driver's breath is 0.02 or more; or
- (iii) The driver is under age twenty-one and the driver is in violation of RCW 46.61.502 or 46.61.504; and
- (d) If the driver's license, permit, or privilege to drive is suspended, revoked, or denied the driver may be eligible to immediately apply for an ignition interlock driver's license.
- (3) If, following his or her arrest and receipt of warnings under subsection (2) of this section, the person arrested exercises the right, granted herein, by refusing upon the request of a law enforcement officer to submit to a test or tests of his or her breath, no test shall be given except as otherwise authorized by law.
- (4) Nothing in subsection (1), (2), or (3) of this section precludes a law enforcement officer from obtaining a person's blood to test for alcohol, ((marijuana)) cannabis, or any drug, pursuant to a search warrant, a valid waiver of the warrant requirement, when

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exigent circumstances exist, or under any other authority of law. Any blood drawn for the purpose of determining the person's alcohol, ((marijuana)) cannabis levels, or any drug, is drawn pursuant to this section when the officer has reasonable grounds to believe that the person is in physical control or driving a vehicle under the influence or in violation of RCW 46.61.503.

- (5) If, after arrest and after any other applicable conditions and requirements of this section have been satisfied, a test or tests of the person's blood or breath is administered and the test results indicate that the alcohol concentration of the person's breath or blood is 0.08 or more, or the THC concentration of the person's blood is 5.00 or more, if the person is age twenty-one or over, or that the alcohol concentration of the person's breath or blood is 0.02 or more, or the THC concentration of the person's blood is above 0.00, if the person is under the age of twenty-one, or the person refuses to submit to a test, the arresting officer or other law enforcement officer at whose direction any test has been given, or the department, where applicable, if the arrest results in a test of the person's blood, shall:
- (a) Serve notice in writing on the person on behalf of the department of its intention to suspend, revoke, or deny the person's license, permit, or privilege to drive as required by subsection (6) of this section;
- (b) Serve notice in writing on the person on behalf of the department of his or her right to a hearing, specifying the steps he or she must take to obtain a hearing as provided by subsection (7) of this section;
- (c) Serve notice in writing that the license or permit, if any, is a temporary license that is valid for thirty days from the date of arrest or from the date notice has been given in the event notice is given by the department following a blood test, or until the suspension, revocation, or denial of the person's license, permit, or privilege to drive is sustained at a hearing pursuant to subsection (7) of this section, whichever occurs first. No temporary license is valid to any greater degree than the license or permit that it replaces; and
- (d) Immediately notify the department of the arrest and transmit to the department within seventy-two hours, except as delayed as the result of a blood test, a sworn report or report under a declaration authorized by chapter 5.50 RCW that states:

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(i) That the officer had reasonable grounds to believe the arrested person had been driving or was in actual physical control of a motor vehicle within this state while under the influence of intoxicating liquor or drugs, or both, or was under the age of twenty-one years and had been driving or was in actual physical control of a motor vehicle while having an alcohol or THC concentration in violation of RCW 46.61.503;

- (ii) That after receipt of any applicable warnings required by subsection (2) of this section the person refused to submit to a test of his or her breath, or a test was administered and the results indicated that the alcohol concentration of the person's breath or blood was 0.08 or more, or the THC concentration of the person's blood was 5.00 or more, if the person is age twenty-one or over, or that the alcohol concentration of the person's breath or blood was 0.02 or more, or the THC concentration of the person's blood was above 0.00, if the person is under the age of twenty-one; and
- 17 (iii) Any other information that the director may require by 18 rule.
 - (6) The department of licensing, upon the receipt of a sworn report or report under a declaration authorized by chapter 5.50 RCW under subsection (5)(d) of this section, shall suspend, revoke, or deny the person's license, permit, or privilege to drive or any nonresident operating privilege, as provided in RCW 46.20.3101, such suspension, revocation, or denial to be effective beginning thirty days from the date of arrest or from the date notice has been given in the event notice is given by the department following a blood test, or when sustained at a hearing pursuant to subsection (7) of this section, whichever occurs first.
 - (7) A person receiving notification under subsection (5) (b) of this section may, within seven days after the notice has been given, request in writing a formal hearing before the department. The person shall pay a fee of three hundred seventy-five dollars as part of the request. If the request is mailed, it must be postmarked within seven days after receipt of the notification. Upon timely receipt of such a request for a formal hearing, including receipt of the required three hundred seventy-five dollar fee, the department shall afford the person an opportunity for a hearing. The department may waive the required three hundred seventy-five dollar fee if the person is an indigent as defined in RCW 10.101.010. Except as otherwise provided in this section, the hearing is subject to and shall be scheduled and

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conducted in accordance with RCW 46.20.329 and 46.20.332. The hearing 1 shall be conducted in the county of the arrest, except that all or 2 3 part of the hearing may, at the discretion of the department, be conducted by telephone or other electronic means. The hearing shall 4 be held within thirty days, excluding Saturdays, Sundays, and legal 5 6 holidays, following the date of timely receipt of such request for a formal hearing before the department or thirty days, 7 Saturdays, Sundays, and legal holidays following the date notice has 8 been given in the event notice is given by the department following a 9 blood test, unless otherwise agreed to by the department and the 10 11 person, in which case the action by the department shall be stayed, 12 and any valid temporary license under subsection (5) of this section extended, if the person is otherwise eligible for licensing. Unless 13 14 otherwise agreed to by the department and the person, the department 15 must give five days notice of the hearing to the person. For the 16 purposes of this section, the scope of the hearing shall cover the 17 issues of whether a law enforcement officer had reasonable grounds to 18 believe the person had been driving or was in actual physical control of a motor vehicle within this state while under the influence of 19 intoxicating liquor or any drug or had been driving or was in actual 20 physical control of a motor vehicle within this state while having 21 22 alcohol in his or her system in a concentration of 0.02 or more, or THC in his or her system in a concentration above 0.00, if the person 23 was under the age of twenty-one, whether the person was placed under 24 25 arrest, and (a) whether the person refused to submit to the test or tests upon request of the officer after having been informed that 26 such refusal would result in the revocation of the person's license, 27 permit, or privilege to drive, or (b) if a test or tests were 28 29 administered, whether the applicable requirements of this section were satisfied before the administration of the test or tests, 30 31 whether the person submitted to the test or tests, or whether a test 32 was administered pursuant to a search warrant, a valid waiver of the 33 warrant requirement, when exigent circumstances exist, or under any other authority of law as permitted under this section, and whether 34 the test or tests indicated that the alcohol concentration of the 35 person's breath or blood was 0.08 or more, or the THC concentration 36 of the person's blood was 5.00 or more, if the person was age twenty-37 over at the time of the arrest, or that the alcohol 38 39 concentration of the person's breath or blood was 0.02 or more, or 40 the THC concentration of the person's blood was above 0.00, if the

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person was under the age of twenty-one at the time of the arrest. 1 Where a person is found to be in actual physical control of a motor 2 vehicle while under the influence of intoxicating liquor or any drug 3 or was under the age of twenty-one at the time of the arrest and was 4 in physical control of a motor vehicle while having alcohol in his or 5 6 her system in a concentration of 0.02 or THC concentration above 0.00, the person may petition the hearing officer to apply the 7 affirmative defense found in RCW 46.61.504(3) and 46.61.503(2). The 8 driver has the burden to prove the affirmative defense by a 9 preponderance of the evidence. The sworn report or report under a 10 11 declaration authorized by chapter 5.50 RCW submitted by a law enforcement officer is prima facie evidence that the officer had 12 reasonable grounds to believe the person had been driving or was in 13 actual physical control of a motor vehicle within this state while 14 under the influence of intoxicating liquor or drugs, or both, or the 15 16 person had been driving or was in actual physical control of a motor 17 vehicle within this state while having alcohol in his or her system 18 in a concentration of 0.02 or more, or THC in his or her system in a 19 concentration above 0.00, and was under the age of twenty-one and that the officer complied with the requirements of this section. 20

A hearing officer shall conduct the hearing, may issue subpoenas for the attendance of witnesses and the production of documents, and shall administer oaths to witnesses. The hearing officer shall not issue a subpoena for the attendance of a witness at the request of the person unless the request is accompanied by the fee required by RCW 5.56.010 for a witness in district court. The sworn report or report under a declaration authorized by chapter 5.50 RCW of the law enforcement officer and any other evidence accompanying the report shall be admissible without further evidentiary foundation and the certifications authorized by the criminal rules for courts of limited jurisdiction shall be admissible without further foundation. The person may be represented by counsel, may question witnesses, may present evidence, and may testify. The department shall order that the suspension, revocation, or denial either be rescinded or sustained.

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(8) If the suspension, revocation, or denial is sustained after such a hearing, the person whose license, privilege, or permit is suspended, revoked, or denied has the right to file a petition in the superior court of the county of arrest to review the final order of revocation by the department in the same manner as an appeal from a

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decision of a court of limited jurisdiction. Notice of appeal must be filed within thirty days after the date the final order is served or the right to appeal is waived. Notwithstanding RCW 46.20.334, RALJ 1.1, or other statutes or rules referencing de novo review, the appeal shall be limited to a review of the record of the administrative hearing. The appellant must pay the costs associated with obtaining the record of the hearing before the hearing officer. The filing of the appeal does not stay the effective date of the suspension, revocation, or denial. A petition filed under this subsection must include the petitioner's grounds for requesting review. Upon granting petitioner's request for review, the court shall review the department's final order of suspension, revocation, or denial as expeditiously as possible. The review must be limited to a determination of whether the department has committed any errors of law. The superior court shall accept those factual determinations supported by substantial evidence in the record: (a) expressly made by the department; or (b) that may reasonably be inferred from the final order of the department. The superior court may reverse, affirm, or modify the decision of the department or remand the case back to the department for further proceedings. The decision of the superior court must be in writing and filed in the clerk's office with the other papers in the case. The court shall state the reasons for the decision. If judicial relief is sought for a stay or other temporary remedy from the department's action, the court shall not grant such relief unless the court finds that the appellant is likely to prevail in the appeal and that without a stay the appellant will suffer irreparable injury. If the court stays the suspension, revocation, or denial it may impose conditions on such stay.

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(9) (a) If a person whose driver's license, permit, or privilege to drive has been or will be suspended, revoked, or denied under subsection (6) of this section, other than as a result of a breath test refusal, and who has not committed an offense for which he or she was granted a deferred prosecution under chapter 10.05 RCW, petitions a court for a deferred prosecution on criminal charges arising out of the arrest for which action has been or will be taken under subsection (6) of this section, or notifies the department of licensing of the intent to seek such a deferred prosecution, then the license suspension or revocation shall be stayed pending entry of the deferred prosecution. The stay shall not be longer than one hundred

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fifty days after the date charges are filed, or two years after the date of the arrest, whichever time period is shorter. If the court stays the suspension, revocation, or denial, it may impose conditions on such stay. If the person is otherwise eligible for licensing, the department shall issue a temporary license, or extend any valid temporary license under subsection (5) of this section, for the period of the stay. If a deferred prosecution treatment plan is not recommended in the report made under RCW 10.05.050, or if treatment is rejected by the court, or if the person declines to accept an offered treatment plan, or if the person violates any condition imposed by the court, then the court shall immediately direct the department to cancel the stay and any temporary license or extension of a temporary license issued under this subsection.

(b) A suspension, revocation, or denial imposed under this section, other than as a result of a breath test refusal, shall be stayed if the person is accepted for deferred prosecution as provided in chapter 10.05 RCW for the incident upon which the suspension, revocation, or denial is based. If the deferred prosecution is terminated, the stay shall be lifted and the suspension, revocation, or denial reinstated. If the deferred prosecution is completed, the stay shall be lifted and the suspension, revocation, or denial canceled.

- (c) The provisions of (b) of this subsection relating to a stay of a suspension, revocation, or denial and the cancellation of any suspension, revocation, or denial do not apply to the suspension, revocation, denial, or disqualification of a person's commercial driver's license or privilege to operate a commercial motor vehicle.
- (10) When it has been finally determined under the procedures of this section that a nonresident's privilege to operate a motor vehicle in this state has been suspended, revoked, or denied, the department shall give information in writing of the action taken to the motor vehicle administrator of the state of the person's residence and of any state in which he or she has a license.
- **Sec. 37.** RCW 46.25.120 and 2015 2nd sp.s. c 3 s 7 are each 35 amended to read as follows:
 - (1) A person who drives a commercial motor vehicle within this state is deemed to have given consent, subject to RCW 46.61.506, to take a test or tests of that person's breath for the purpose of determining that person's alcohol concentration.

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(2) A test or tests may be administered at the direction of a law enforcement officer, who after stopping or detaining the commercial motor vehicle driver, has reasonable grounds to believe that driver was driving a commercial motor vehicle while having alcohol in his or her system or while under the influence of any drug.

- (3) The law enforcement officer requesting the test under subsection (1) of this section shall warn the person requested to submit to the test that a refusal to submit will result in that person being disqualified from operating a commercial motor vehicle under RCW 46.25.090.
- (4) A law enforcement officer who at the time of stopping or detaining a commercial motor vehicle driver has reasonable grounds to believe that driver was driving a commercial motor vehicle while having alcohol, ((marijuana)) cannabis, or any drug in his or her system or while under the influence of alcohol, ((marijuana)) cannabis, or any drug may obtain a blood test pursuant to a search warrant, a valid waiver of the warrant requirement, when exigent circumstances exist, or under any other authority of law.
- (5) If the person refuses testing, or a test is administered that discloses an alcohol concentration of 0.04 or more or any measurable amount of THC concentration, the law enforcement officer shall submit a sworn report to the department certifying that the test was requested pursuant to subsection (1) of this section or a blood test was administered pursuant to subsection (4) of this section and that the person refused to submit to testing, or a test was administered that disclosed an alcohol concentration of 0.04 or more or any measurable amount of THC concentration.
- (6) Upon receipt of the sworn report of a law enforcement officer under subsection (5) of this section, the department shall disqualify the driver from driving a commercial motor vehicle under RCW 46.25.090, subject to the hearing provisions of RCW 46.20.329 and 46.20.332. The hearing shall be conducted in the county of the arrest. For the purposes of this section, the hearing shall cover the issues of whether a law enforcement officer had reasonable grounds to believe the person had been driving or was in actual physical control of a commercial motor vehicle within this state while having alcohol in the person's system or while under the influence of any drug, whether the person refused to submit to the test or tests upon request of the officer after having been informed that the refusal would result in the disqualification of the person from driving a

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1 commercial motor vehicle, if applicable, and, if the test was administered, whether the results indicated an alcohol concentration 2 3 percent or more or any measurable amount of concentration. The department shall order that the disqualification 4 of the person either be rescinded or sustained. Any decision by the 5 6 department disqualifying a person from driving a commercial motor vehicle is stayed and does not take effect while a formal hearing is 7 pending under this section or during the pendency of a subsequent 8 appeal to superior court so long as there is no conviction for a 9 moving violation or no finding that the person has committed a 10 11 traffic infraction that is a moving violation during the pendency of 12 the hearing and appeal. If the disqualification of the person is sustained after the hearing, the person who is disqualified may file 13 a petition in the superior court of the county of arrest to review 14 the final order of disqualification by the department in the manner 15 16 provided in RCW 46.20.334.

(7) If a motor carrier or employer who is required to have a testing program under 49 C.F.R. 382 knows that a commercial driver in his or her employ has refused to submit to testing under this section and has not been disqualified from driving a commercial motor vehicle, the employer may notify law enforcement or his or her medical review officer or breath alcohol technician that the driver has refused to submit to the required testing.

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- 24 (8) The hearing provisions of this section do not apply to those 25 persons disqualified from driving a commercial motor vehicle under 26 RCW 46.25.090(7).
- 27 **Sec. 38.** RCW 46.61.502 and 2017 c 335 s 1 are each amended to 28 read as follows:
- 29 (1) A person is guilty of driving while under the influence of 30 intoxicating liquor, ((marijuana)) cannabis, or any drug if the 31 person drives a vehicle within this state:
 - (a) And the person has, within two hours after driving, an alcohol concentration of 0.08 or higher as shown by analysis of the person's breath or blood made under RCW 46.61.506; or
- 35 (b) The person has, within two hours after driving, a THC 36 concentration of 5.00 or higher as shown by analysis of the person's 37 blood made under RCW 46.61.506; or
- 38 (c) While the person is under the influence of or affected by intoxicating liquor, ((marijuana)) cannabis, or any drug; or

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1 (d) While the person is under the combined influence of or 2 affected by intoxicating liquor, ((marijuana)) cannabis, and any 3 drug.

- (2) The fact that a person charged with a violation of this section is or has been entitled to use a drug under the laws of this state shall not constitute a defense against a charge of violating this section.
- (3) (a) It is an affirmative defense to a violation of subsection (1) (a) of this section, which the defendant must prove by a preponderance of the evidence, that the defendant consumed a sufficient quantity of alcohol after the time of driving and before the administration of an analysis of the person's breath or blood to cause the defendant's alcohol concentration to be 0.08 or more within two hours after driving. The court shall not admit evidence of this defense unless the defendant notifies the prosecution prior to the omnibus or pretrial hearing in the case of the defendant's intent to assert the affirmative defense.
- (b) It is an affirmative defense to a violation of subsection (1)(b) of this section, which the defendant must prove by a preponderance of the evidence, that the defendant consumed a sufficient quantity of ((marijuana)) cannabis after the time of driving and before the administration of an analysis of the person's blood to cause the defendant's THC concentration to be 5.00 or more within two hours after driving. The court shall not admit evidence of this defense unless the defendant notifies the prosecution prior to the omnibus or pretrial hearing in the case of the defendant's intent to assert the affirmative defense.
- (4) (a) Analyses of blood or breath samples obtained more than two hours after the alleged driving may be used as evidence that within two hours of the alleged driving, a person had an alcohol concentration of 0.08 or more in violation of subsection (1) (a) of this section, and in any case in which the analysis shows an alcohol concentration above 0.00 may be used as evidence that a person was under the influence of or affected by intoxicating liquor or any drug in violation of subsection (1) (c) or (d) of this section.
- (b) Analyses of blood samples obtained more than two hours after the alleged driving may be used as evidence that within two hours of the alleged driving, a person had a THC concentration of 5.00 or more in violation of subsection (1)(b) of this section, and in any case in which the analysis shows a THC concentration above 0.00 may be used

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- as evidence that a person was under the influence of or affected by ((marijuana)) cannabis in violation of subsection (1)(c) or (d) of this section.
 - (5) Except as provided in subsection (6) of this section, a violation of this section is a gross misdemeanor.
- 6 (6) It is a class B felony punishable under chapter 9.94A RCW, or chapter 13.40 RCW if the person is a juvenile, if:
- 8 (a) The person has three or more prior offenses within ten years 9 as defined in RCW 46.61.5055; or
 - (b) The person has ever previously been convicted of:

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- 11 (i) Vehicular homicide while under the influence of intoxicating 12 liquor or any drug, RCW 46.61.520(1)(a);
- 13 (ii) Vehicular assault while under the influence of intoxicating 14 liquor or any drug, RCW 46.61.522(1)(b);
- 15 (iii) An out-of-state offense comparable to the offense specified 16 in (b)(i) or (ii) of this subsection; or
- 17 (iv) A violation of this subsection (6) or RCW 46.61.504(6).
- 18 **Sec. 39.** RCW 46.61.503 and 2015 2nd sp.s. c 3 s 14 are each 19 amended to read as follows:
 - (1) Notwithstanding any other provision of this title, a person is guilty of driving or being in physical control of a motor vehicle after consuming alcohol or ((marijuana)) cannabis if the person operates or is in physical control of a motor vehicle within this state and the person:
 - (a) Is under the age of twenty-one; and
 - (b) Has, within two hours after operating or being in physical control of the motor vehicle, either:
 - (i) An alcohol concentration of at least 0.02 but less than the concentration specified in RCW 46.61.502, as shown by analysis of the person's breath or blood made under RCW 46.61.506; or
 - (ii) A THC concentration above 0.00 but less than the concentration specified in RCW 46.61.502, as shown by analysis of the person's blood made under RCW 46.61.506.
 - (2) It is an affirmative defense to a violation of subsection (1) of this section, which the defendant must prove by a preponderance of the evidence, that the defendant consumed a sufficient quantity of alcohol or ((marijuana)) cannabis after the time of driving or being in physical control and before the administration of an analysis of the person's breath or blood to cause the defendant's alcohol or THC

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concentration to be in violation of subsection (1) of this section within two hours after driving or being in physical control. The court shall not admit evidence of this defense unless the defendant notifies the prosecution prior to the earlier of: (a) Seven days prior to trial; or (b) the omnibus or pretrial hearing in the case of the defendant's intent to assert the affirmative defense.

- (3) No person may be convicted under this section for being in physical control of a motor vehicle and it is an affirmative defense to any action pursuant to RCW 46.20.308 to suspend, revoke, or deny the privilege to drive, if, prior to being pursued by a law enforcement officer, the person has moved the vehicle safely off the roadway.
- (4) Analyses of blood or breath samples obtained more than two hours after the alleged driving or being in physical control may be used as evidence that within two hours of the alleged driving or being in physical control, a person had an alcohol or THC concentration in violation of subsection (1) of this section.
 - (5) A violation of this section is a misdemeanor.
- **Sec. 40.** RCW 46.61.504 and 2017 c 335 s 2 are each amended to 20 read as follows:
 - (1) A person is guilty of being in actual physical control of a motor vehicle while under the influence of intoxicating liquor or any drug if the person has actual physical control of a vehicle within this state:
 - (a) And the person has, within two hours after being in actual physical control of the vehicle, an alcohol concentration of 0.08 or higher as shown by analysis of the person's breath or blood made under RCW 46.61.506; or
 - (b) The person has, within two hours after being in actual physical control of a vehicle, a THC concentration of 5.00 or higher as shown by analysis of the person's blood made under RCW 46.61.506; or
 - (c) While the person is under the influence of or affected by intoxicating liquor or any drug; or
- 35 (d) While the person is under the combined influence of or 36 affected by intoxicating liquor and any drug.
 - (2) The fact that a person charged with a violation of this section is or has been entitled to use a drug under the laws of this state does not constitute a defense against any charge of violating

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this section. No person may be convicted under this section and it is an affirmative defense to any action pursuant to RCW 46.20.308 to suspend, revoke, or deny the privilege to drive if, prior to being pursued by a law enforcement officer, the person has moved the vehicle safely off the roadway.

- (3) (a) It is an affirmative defense to a violation of subsection (1) (a) of this section which the defendant must prove by a preponderance of the evidence that the defendant consumed a sufficient quantity of alcohol after the time of being in actual physical control of the vehicle and before the administration of an analysis of the person's breath or blood to cause the defendant's alcohol concentration to be 0.08 or more within two hours after being in such control. The court shall not admit evidence of this defense unless the defendant notifies the prosecution prior to the omnibus or pretrial hearing in the case of the defendant's intent to assert the affirmative defense.
- (b) It is an affirmative defense to a violation of subsection (1)(b) of this section, which the defendant must prove by a preponderance of the evidence, that the defendant consumed a sufficient quantity of ((marijuana)) cannabis after the time of being in actual physical control of the vehicle and before the administration of an analysis of the person's blood to cause the defendant's THC concentration to be 5.00 or more within two hours after being in control of the vehicle. The court shall not admit evidence of this defense unless the defendant notifies the prosecution prior to the omnibus or pretrial hearing in the case of the defendant's intent to assert the affirmative defense.
- (4) (a) Analyses of blood or breath samples obtained more than two hours after the alleged being in actual physical control of a vehicle may be used as evidence that within two hours of the alleged being in such control, a person had an alcohol concentration of 0.08 or more in violation of subsection (1)(a) of this section, and in any case in which the analysis shows an alcohol concentration above 0.00 may be used as evidence that a person was under the influence of or affected by intoxicating liquor or any drug in violation of subsection (1)(c) or (d) of this section.
- (b) Analyses of blood samples obtained more than two hours after the alleged being in actual physical control of a vehicle may be used as evidence that within two hours of the alleged being in control of the vehicle, a person had a THC concentration of 5.00 or more in

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- violation of subsection (1)(b) of this section, and in any case in which the analysis shows a THC concentration above 0.00 may be used as evidence that a person was under the influence of or affected by ((marijuana)) cannabis in violation of subsection (1)(c) or (d) of this section.
- 6 (5) Except as provided in subsection (6) of this section, a violation of this section is a gross misdemeanor.
- 8 (6) It is a class C felony punishable under chapter 9.94A RCW, or 9 chapter 13.40 RCW if the person is a juvenile, if:
- 10 (a) The person has three or more prior offenses within ten years 11 as defined in RCW 46.61.5055; or
 - (b) The person has ever previously been convicted of:

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- 13 (i) Vehicular homicide while under the influence of intoxicating 14 liquor or any drug, RCW 46.61.520(1)(a);
- 15 (ii) Vehicular assault while under the influence of intoxicating 16 liquor or any drug, RCW 46.61.522(1)(b);
- 17 (iii) An out-of-state offense comparable to the offense specified 18 in (b)(i) or (ii) of this subsection; or
- 19 (iv) A violation of this subsection (6) or RCW 46.61.502(6).
- 20 **Sec. 41.** RCW 46.61.50571 and 2015 3rd sp.s. c 35 s 2 are each 21 amended to read as follows:
 - (1) A defendant who is charged with an offense involving driving while under the influence as defined in RCW 46.61.502, driving under age twenty-one after consuming alcohol or ((marijuana)) cannabis as defined in RCW 46.61.503, or being in physical control of a vehicle while under the influence as defined in RCW 46.61.504, shall be required to appear in person before a judicial officer within one judicial day after the arrest if the defendant is served with a citation or complaint at the time of the arrest. A court may by local court rule waive the requirement for appearance within one judicial day if it provides for the appearance at the earliest practicable day following arrest and establishes the method for identifying that day in the rule.
 - (2) A defendant who is charged with an offense involving driving while under the influence as defined in RCW 46.61.502, driving under age twenty-one after consuming alcohol or ((marijuana)) cannabis as defined in RCW 46.61.503, or being in physical control of a vehicle while under the influence as defined in RCW 46.61.504, and who is not served with a citation or complaint at the time of the incident,

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shall appear in court for arraignment in person as soon as practicable, but in no event later than fourteen days after the next day on which court is in session following the issuance of the citation or the filing of the complaint or information.

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- (3) At the time of an appearance required by this section, the court shall determine the necessity of imposing conditions of pretrial release according to the procedures established by court rule for a preliminary appearance or an arraignment.
- 9 (4) Appearances required by this section are mandatory and may 10 not be waived.
- 11 (5) If electronic monitoring or alcohol abstinence monitoring is 12 ordered, the court shall specify who shall provide the monitoring 13 services, and the terms under which the monitoring shall be 14 performed. Upon conviction, the court may require as a condition of 15 the sentence that the defendant reimburse the providing agency for 16 the costs of the electronic monitoring or abstinence monitoring.
 - **Sec. 42.** RCW 46.61.5249 and 2013 2nd sp.s. c 35 s 16 are each amended to read as follows:
 - (1) (a) A person is guilty of negligent driving in the first degree if he or she operates a motor vehicle in a manner that is both negligent and endangers or is likely to endanger any person or property, and exhibits the effects of having consumed liquor or ((marijuana)) cannabis or any drug or exhibits the effects of having inhaled or ingested any chemical, whether or not a legal substance, for its intoxicating or hallucinatory effects.
 - (b) It is an affirmative defense to negligent driving in the first degree by means of exhibiting the effects of having consumed any drug that must be proved by the defendant by a preponderance of the evidence, that the driver has a valid prescription for the drug consumed, and has been consuming it according to the prescription directions and warnings.
 - (c) Negligent driving in the first degree is a misdemeanor.
 - (2) For the purposes of this section:
 - (a) "Negligent" means the failure to exercise ordinary care, and is the doing of some act that a reasonably careful person would not do under the same or similar circumstances or the failure to do something that a reasonably careful person would do under the same or similar circumstances.

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- 1 (b) "Exhibiting the effects of having consumed liquor, ((marijuana)) cannabis, or any drug" means that a person has the odor of liquor, ((marijuana)) cannabis, or any drug on his or her breath, or that by speech, manner, appearance, behavior, lack of coordination, or otherwise exhibits that he or she has consumed liquor, ((marijuana)) cannabis, or any drug, and either:
- 7 (i) Is in possession of or in close proximity to a container that 8 has or recently had liquor, ((marijuana)) cannabis, or any drug in 9 it; or
- 10 (ii) Is shown by other evidence to have recently consumed liquor, 11 ((marijuana)) cannabis, or any drug.
 - (c) "Exhibiting the effects of having inhaled or ingested any chemical, whether or not a legal substance, for its intoxicating or hallucinatory effects" means that a person by speech, manner, appearance, behavior, or lack of coordination or otherwise exhibits that he or she has inhaled or ingested a chemical and either:
 - (i) Is in possession of the canister or container from which the chemical came; or
 - (ii) Is shown by other evidence to have recently inhaled or ingested a chemical for its intoxicating or hallucinatory effects.
 - (3) Any act prohibited by this section that also constitutes a crime under any other law of this state may be the basis of prosecution under such other law notwithstanding that it may also be the basis for prosecution under this section.
 - (4) A person convicted of negligent driving in the first degree who has one or more prior offenses as defined in RCW 46.61.5055(14) within seven years shall be required, under RCW 46.20.720, to install an ignition interlock device on all vehicles operated by the person.
- **Sec. 43.** RCW 46.61.745 and 2015 2nd sp.s. c 3 s 8 are each 30 amended to read as follows:
 - (1) (a) It is a traffic infraction:

(i) For the registered owner of a motor vehicle, or the driver if the registered owner is not then present, or passengers in the vehicle, to keep ((marijuana)) cannabis in a motor vehicle when the vehicle is upon a highway, unless it is (A) in the trunk of the vehicle, (B) in some other area of the vehicle not normally occupied or directly accessible by the driver or passengers if the vehicle does not have a trunk, or (C) in a package, container, or receptacle that has not been opened or the seal broken or contents partially

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removed. A utility compartment or glove compartment is deemed to be within the area occupied by the driver and passengers;

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- (ii) To consume ((marijuana)) cannabis in any manner including, but not limited to, smoking or ingesting in a motor vehicle when the vehicle is upon the public highway; or
- (iii) To place ((marijuana)) cannabis in a container specifically labeled by the manufacturer of the container as containing a ((nonmarijuana)) noncannabis substance and to then violate (a)(i) of this subsection.
- 10 (b) There is a rebuttable presumption that it is a traffic 11 infraction if the original container of ((marijuana)) cannabis is 12 incorrectly labeled and there is a subsequent violation of (a)(i) of 13 this subsection.
- 14 (2) As used in this section, (("marijuana" or "marihuana")) "cannabis" means all parts of the plant Cannabis, whether growing or 15 16 not; the seeds thereof; the resin extracted from any part of the 17 plant; and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds, or resin. The term does not 18 include the mature stalks of the plant, fiber produced from the 19 stalks, oil or cake made from the seeds of the plant, any other 20 compound, manufacture, salt, derivative, mixture, or preparation of 21 the mature stalks, except the resin extracted therefrom, fiber, oil, 22 or cake, or the sterilized seed of the plant which is incapable of 23 24 germination.
- 25 **Sec. 44.** RCW 66.08.050 and 2015 2nd sp.s. c 4 s 601 are each amended to read as follows:
- The board, subject to the provisions of this title and the rules, must:
- 29 (1) Determine the nature, form and capacity of all packages to be used for containing liquor kept for sale under this title;
- 31 (2) Execute or cause to be executed, all contracts, papers, and 32 documents in the name of the board, under such regulations as the 33 board may fix;
- 34 (3) Pay all customs, duties, excises, charges and obligations 35 whatsoever relating to the business of the board;
- 36 (4) Require bonds from all employees in the discretion of the 37 board, and to determine the amount of fidelity bond of each such 38 employee;

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(5) Perform services for the state lottery commission to such extent, and for such compensation, as may be mutually agreed upon between the board and the commission;

- (6) Accept and deposit into the general fund-local account and disburse, subject to appropriation, federal grants or other funds or donations from any source for the purpose of improving public awareness of the health risks associated with alcohol and ((marijuana)) cannabis consumption by youth and the abuse of alcohol and ((marijuana)) cannabis by adults in Washington state. The board's alcohol awareness program must cooperate with federal and state agencies, interested organizations, and individuals to effect an active public beverage alcohol awareness program. For the purposes of this subsection, "cannabis" has the meaning provided in RCW 69.50.101;
- 15 (7) Monitor and regulate the practices of licensees as necessary 16 in order to prevent the theft and illegal trafficking of liquor 17 pursuant to RCW 66.28.350;
 - (8) Perform all other matters and things, whether similar to the foregoing or not, to carry out the provisions of this title, and has full power to do each and every act necessary to the conduct of its regulatory functions, including all supplies procurement, preparation and approval of forms, and every other undertaking necessary to perform its regulatory functions whatsoever, subject only to audit by the state auditor. However, the board has no authority to regulate the content of spoken language on licensed premises where wine and other liquors are served and where there is not a clear and present danger of disorderly conduct being provoked by such language or to restrict advertising of lawful prices.
- **Sec. 45.** RCW 69.04.480 and 2009 c 549 s 1023 are each amended to read as follows:

A drug or device shall be deemed to be misbranded if it is for use by human beings and contains any quantity of the narcotic or hypnotic substance alpha eucaine, barbituric acid, beta eucaine, bromal, cannabis, as that term is defined in RCW 69.50.101, carbromal, chloral, coca, cocaine, codeine, heroin, ((marijuana,)) morphine, opium, paraldehyde, peyote, or sulphomethane; or any chemical derivative of such substance, which derivative has been designated as habit forming by regulations promulgated under section 502(d) of the federal act; unless its label bears the name and

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- quantity or proportion of such substance or derivative and in 1 2 juxtaposition therewith the statement "Warning-May be habit forming."
- Sec. 46. RCW 69.07.010 and 2017 c 138 s 1 are each reenacted and 3 amended to read as follows:

For the purposes of this chapter:

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- (1) "Board" means the state liquor and cannabis board;
- 7 (2) "Department" means the department of agriculture of the state of Washington; 8
 - (3) "Director" means the director of the department;
 - (4) "Food" means any substance used for food or drink by any person, including ice, bottled water, and any ingredient used for components of any such substance regardless of the quantity of such component;
 - (5) "Food processing" means the handling or processing of any food in any manner in preparation for sale for human consumption: PROVIDED, That it shall not include fresh fruit or vegetables merely washed or trimmed while being prepared or packaged for sale in their natural state;
 - (6) "Food processing plant" includes but is not limited to any premises, plant, establishment, building, room, area, facilities and the appurtenances thereto, in whole or in part, where food is prepared, handled or processed in any manner for distribution or sale for resale by retail outlets, restaurants, and any such other facility selling or distributing to the ultimate consumer: PROVIDED, That, as set forth herein, establishments processing foods in any manner for resale shall be considered a food processing plant as to such processing;
 - (7) "Food service establishment" shall mean any fixed or mobile restaurant, coffee shop, cafeteria, short order cafe, luncheonette, grill, tearoom, sandwich shop, soda fountain, tavern, bar, cocktail lounge, night club, roadside stand, industrial-feeding establishment, retail grocery, retail food market, retail meat market, retail bakery, private, public, or nonprofit organization routinely serving food, catering kitchen, commissary or similar place in which food or drink is prepared for sale or for service on the premises or elsewhere, and any other eating or drinking establishment or operation where food is served or provided for the public with or without charge.

p. 64 HB 1210 For the purpose of this chapter any custom cannery or processing plant where raw food products, food, or food products are processed for the owner thereof, or the food processing facilities are made available to the owners or persons in control of raw food products or food or food products for processing in any manner, shall be considered to be food processing plants;

- 7 (8) (("Marijuana")) "Cannabis" has the definition in RCW 8 69.50.101;
- 9 (9) (("Marijuana-infused)) "Cannabis-infused edible" has the same 10 meaning as "((marijuana-infused)) cannabis-infused products" as 11 defined in RCW 69.50.101, but limited to products intended for oral 12 consumption;
- (10) (("Marijuana-infused)) "Cannabis-infused edible processing" 13 14 making ((marijuana-infused)) means processing, packaging, or cannabis-infused edibles using ((marijuana, marijuana)) cannabis, 15 16 cannabis extract, or ((marijuana)) <u>cannabis</u> concentrates as 17 ingredient. The term does not include preparation of ((marijuana)) cannabis as an ingredient including, but not limited to, processing 18 19 ((marijuana)) cannabis extracts or ((marijuana)) cannabis 20 concentrates;
- 21 (11) (("Marijuana)) "Cannabis processor" has the definition 22 provided in RCW 69.50.101;
- 23 (12) "Person" means an individual, partnership, corporation, or 24 association;
- 25 (13) "Sale" means selling, offering for sale, holding for sale, 26 preparing for sale, trading, bartering, offering a gift as an 27 inducement for sale of, and advertising for sale in any media.
- 28 **Sec. 47.** RCW 69.07.020 and 2017 c 138 s 2 are each amended to 29 read as follows:
- 30 (1) The department shall enforce and carry out the provisions of 31 this chapter, and may adopt the necessary rules to carry out its 32 purposes.
 - (2) Such rules may include:

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- 34 (a) Standards for temperature controls in the storage of foods, 35 so as to provide proper refrigeration.
- 36 (b) Standards for temperatures at which low acid foods must be 37 processed and the length of time such temperatures must be applied 38 and at what pressure in the processing of such low acid foods.

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(c) Standards and types of recording devices that must be used in providing records of the processing of low acid foods, and how they shall be made available to the department of agriculture for inspection.

- (d) Requirements for the keeping of records of the temperatures, times and pressures at which foods were processed, or for the temperatures at which refrigerated products were stored by the licensee and the furnishing of such records to the department.
- 9 (e) Standards that must be used to establish the temperature and 10 purity of water used in the processing of foods.
- 11 (3) The department may adopt rules specific to ((marijuana12 infused)) cannabis-infused edibles. Such rules must be written and
 13 interpreted to be consistent with rules adopted by the board and the
 14 department of health.
- **Sec. 48.** RCW 69.07.200 and 2017 c 138 s 4 are each amended to 16 read as follows:
 - (1) In addition to the requirements administered by the board under chapter 69.50 RCW, the department shall regulate ((marijuana-infused)) cannabis-infused edible processing the same as other food processing under this chapter, except:
 - (a) The department shall not consider foods containing ((marijuana)) cannabis to be adulterated when produced in compliance with chapter 69.50 RCW and the rules adopted by the board;
 - (b) Initial issuance and renewal for an annual ((marijuana-infused)) cannabis-infused edible endorsement in lieu of a food processing license under RCW 69.07.040 must be made through the business licensing system under chapter 19.02 RCW;
 - (c) Renewal of the endorsement must coincide with renewal of the endorsement holder's ((marijuana)) cannabis processor license;
 - (d) The department shall adopt a penalty schedule specific to ((marijuana)) cannabis processors, which may have values equivalent to the penalty schedule adopted by the board. Such penalties are in addition to any penalties imposed under the penalty schedule adopted by the board; and
- 35 (e) The department shall notify the board of violations by 36 ((marijuana)) cannabis processors under this chapter.
- 37 (2) A ((marijuana)) <u>cannabis</u> processor that processes, packages, 38 or makes ((marijuana-infused)) <u>cannabis-infused</u> edibles must obtain

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an annual ((marijuana-infused)) <u>cannabis-infused</u> edible endorsement, as provided in this subsection (2).

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- (a) The ((marijuana)) cannabis processor must apply for issuance and renewal for the endorsement from the department through the business licensing system under chapter 19.02 RCW.
- (b) The ((marijuana)) cannabis processor must have a valid ((marijuana)) cannabis processor license before submitting an application for initial endorsement. The application and initial endorsement fees total eight hundred ninety-five dollars. Applicants for endorsement otherwise must meet the same requirements as applicants for a food processing license under this chapter including, but not limited to, successful completion of inspection by the department.
- (c) Annual renewal of the endorsement must coincide with renewal of the endorsement holder's ((marijuana)) cannabis processor license.

 The endorsement renewal fee is eight hundred ninety-five dollars.
 - (d) A ((marijuana)) cannabis processor must obtain a separate endorsement for each location at which the ((marijuana)) cannabis processor intends to process ((marijuana-infused)) cannabis-infused edibles. Premises used for ((marijuana-infused)) cannabis-infused edible processing may not be used for processing food that does not use ((marijuana)) cannabis as an ingredient, with the exception of edibles produced solely for tasting samples or internal product testing.
 - (3) The department may deny, suspend, or revoke a ((marijuana-infused)) cannabis-infused edible endorsement on the same grounds as the department may deny, suspend, or revoke a food processor's license under this chapter.
- 29 (4) Information about processors otherwise exempt from public 30 inspection and copying under chapter 42.56 RCW is also exempt from 31 public inspection and copying if submitted to or used by the 32 department.
- 33 **Sec. 49.** RCW 69.50.101 and 2020 c 133 s 2 are each amended to read as follows:
- 35 The definitions in this section apply throughout this chapter 36 unless the context clearly requires otherwise.
- 37 (a) "Administer" means to apply a controlled substance, whether 38 by injection, inhalation, ingestion, or any other means, directly to 39 the body of a patient or research subject by:

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- 1 (1) a practitioner authorized to prescribe (or, by the 2 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) "Board" means the Washington state liquor and cannabis board.
- 10 (d) "CBD concentration" has the meaning provided in RCW 11 69.51A.010.
- 12 (e) "CBD product" means any product containing or consisting of 13 cannabidiol.
 - (f) "Commission" means the pharmacy quality assurance commission.
 - (g) "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 hemp or industrial hemp as defined in RCW 15.140.020.
 - (h)(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
 - (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.
- 32 (2) The term does not include:

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- (i) a controlled substance;
- 34 (ii) a substance for which there is an approved new drug 35 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

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- 1 (iv) any substance to the extent not intended for human 2 consumption before an exemption takes effect with respect to the 3 substance.
 - (i) "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.
 - (j) "Department" means the department of health.

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- 8 (k) "Designated provider" has the meaning provided in RCW 9 69.51A.010.
 - (1) "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.
 - (m) "Dispenser" means a practitioner who dispenses.
- 16 (n) "Distribute" means to deliver other than by administering or 17 dispensing a controlled substance.
 - (o) "Distributor" means a person who distributes.
 - (p) "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.
 - (q) "Drug enforcement administration" means the drug enforcement administration in the United States Department of Justice, or its successor agency.
 - (r) "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.
- 38 (s) "Immature plant or clone" means a plant or clone that has no 39 flowers, is less than twelve inches in height, and is less than 40 twelve inches in diameter.

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(t) "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
- (3) the control of which is necessary to prevent, curtail, or limit the manufacture of the controlled substance.
- (u) "Isomer" means an optical isomer, but in subsection (gg) (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.
- (v) "Lot" means a definite quantity of ((marijuana, marijuana)) cannabis, cannabis concentrates, useable ((marijuana)) cannabis, or ((marijuana-infused)) cannabis-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.
- (w) "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)) cannabis, cannabis concentrates, useable ((marijuana)) cannabis, or ((marijuana-infused)) cannabis-infused product.
- (x) "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.

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(y) (("Marijuana" or "marihuana")) "Cannabis" 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
- 13 (2) Hemp or industrial hemp as defined in RCW 15.140.020, seeds 14 used for licensed hemp production under chapter 15.140 RCW.
 - (z) (("Marijuana)) "Cannabis 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.
 - (aa) (("Marijuana)) "Cannabis processor" means a person licensed by the board to process ((marijuana)) cannabis into ((marijuana)) cannabis concentrates, useable ((marijuana)) cannabis, and ((marijuana-infused)) cannabis-infused products, package and label ((marijuana)) cannabis concentrates, useable ((marijuana)) cannabis, and ((marijuana-infused)) cannabis-infused products for sale in retail outlets, and sell ((marijuana)) cannabis concentrates, useable ((marijuana)) cannabis, and ((marijuana-infused)) cannabis-infused products at wholesale to ((marijuana)) cannabis retailers.
 - (bb) (("Marijuana)) "Cannabis producer" means a person licensed by the board to produce and sell ((marijuana)) cannabis at wholesale to ((marijuana)) cannabis processors and other ((marijuana)) cannabis producers.
- (cc) (("Marijuana)) "Cannabis products" means useable ((marijuana, marijuana)) cannabis, cannabis concentrates, and ((marijuana-infused)) cannabis-infused products as defined in this section.
- (dd) (("Marijuana)) "Cannabis researcher" means a person licensed by the board to produce, process, and possess ((marijuana)) cannabis for the purposes of conducting research on ((marijuana and marijuanaderived)) cannabis and cannabis-derived drug products.

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- 1 (ee) (("Marijuana)) "Cannabis retailer" means a person licensed by the board to sell ((marijuana)) cannabis concentrates, useable ((marijuana)) cannabis, and ((marijuana-infused)) cannabis-infused 3 products in a retail outlet. 4
 - (ff) (("Marijuana-infused)) "Cannabis-infused products" means products that contain ((marijuana or marijuana)) cannabis or cannabis extracts, are intended for human use, are derived from ((marijuana)) cannabis as defined in subsection (y) of this section, and have a THC concentration no greater than ten percent. The term (("marijuanainfused)) "cannabis-infused products" does not include either useable ((marijuana or marijuana)) cannabis or cannabis concentrates.
 - (gg) "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.
 - (4) Coca leaves, except coca leaves and extracts of coca leaves from which cocaine, ecgonine, and derivatives or ecgonine or their salts have been removed.
 - (5) Cocaine, or any salt, isomer, or salt of isomer thereof.
 - (6) Cocaine base.

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- 32 (7) Ecgonine, or any derivative, salt, isomer, or salt of isomer 33 thereof.
 - (8) Any compound, mixture, or preparation containing any quantity of any substance referred to in (1) through (7) of this subsection.
 - (hh) "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 addictionsustaining liability. The term includes opium, substances derived from opium (opium derivatives), and synthetic opiates. The term does

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- 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.
 - (ii) "Opium poppy" means the plant of the species Papaver somniferum L., except its seeds.
 - (jj) "Person" means individual, corporation, business trust, estate, trust, partnership, association, joint venture, government, governmental subdivision or agency, or any other legal or commercial entity.
 - (kk) "Plant" has the meaning provided in RCW 69.51A.010.
- 12 (11) "Poppy straw" means all parts, except the seeds, of the 13 opium poppy, after mowing.
 - (mm) "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.
- (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

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- licensed physician assistant or a licensed osteopathic physician assistant specifically approved to prescribe controlled substances by his or her state's medical 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.
- 8 (nn) "Prescription" means an order for controlled substances 9 issued by a practitioner duly authorized by law or rule in the state 10 of Washington to prescribe controlled substances within the scope of 11 his or her professional practice for a legitimate medical purpose.
- 12 (00) "Production" includes the manufacturing, planting, 13 cultivating, growing, or harvesting of a controlled substance.
- 14 (pp) "Qualifying patient" has the meaning provided in RCW 15 69.51A.010.
- 16 (qq) "Recognition card" has the meaning provided in RCW 17 69.51A.010.
- (rr) "Retail outlet" means a location licensed by the board for the retail sale of ((marijuana)) cannabis concentrates, useable ((marijuana)) cannabis, and ((marijuana-infused)) cannabis-infused products.
- 22 (ss) "Secretary" means the secretary of health or the secretary's designee.

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- (tt) "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.
- (uu) "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)) cannabis product, or the combined percent of delta-9 tetrahydrocannabinol and tetrahydrocannabinolic acid in any part of the plant *Cannabis* regardless of moisture content.
- (vv) "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.
- (ww) "Useable ((marijuana")) <u>cannabis"</u> means dried ((marijuana))

 cannabis flowers. The term "useable ((marijuana")) <u>cannabis"</u> does not

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include either ((marijuana-infused)) <u>cannabis-infused</u> products or ((marijuana)) <u>cannabis</u> concentrates.

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- (xx) "Youth access" means the level of interest persons under the age of twenty-one may have in a vapor product, as well as the degree to which the product is available or appealing to such persons, and the likelihood of initiation, use, or addiction by adolescents and young adults.
- 8 **Sec. 50.** RCW 69.50.101 and 2020 c 133 s 2 and 2020 c 80 s 43 are each reenacted and amended to read as follows:

The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.

- 12 (a) "Administer" means to apply a controlled substance, whether 13 by injection, inhalation, ingestion, or any other means, directly to 14 the body of a patient or research subject by:
- 15 (1) a practitioner authorized to prescribe (or, by the 16 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) "Board" means the Washington state liquor and cannabis board.
 - (d) "CBD concentration" has the meaning provided in RCW 69.51A.010.
 - (e) "CBD product" means any product containing or consisting of cannabidiol.
 - (f) "Commission" means the pharmacy quality assurance commission.
 - (g) "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 hemp or industrial hemp as defined in RCW 15.140.020.
 - (h)(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.
 - (i) "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.
 - (j) "Department" means the department of health.
- 23 (k) "Designated provider" has the meaning provided in RCW 24 69.51A.010.
 - (1) "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.
 - (m) "Dispenser" means a practitioner who dispenses.
- 31 (n) "Distribute" means to deliver other than by administering or 32 dispensing a controlled substance.
 - (o) "Distributor" means a person who distributes.
- 34 (p) "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.
 - (q) "Drug enforcement administration" means the drug enforcement administration in the United States Department of Justice, or its successor agency.
 - (r) "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.
 - (s) "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.
 - (t) "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
- 22 (3) the control of which is necessary to prevent, curtail, or 23 limit the manufacture of the controlled substance.
 - (u) "Isomer" means an optical isomer, but in subsection (gg) (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.
 - (v) "Lot" means a definite quantity of ((marijuana, marijuana)) cannabis, cannabis concentrates, useable ((marijuana)) cannabis, or ((marijuana-infused)) cannabis-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.
 - (w) "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)) cannabis, cannabis concentrates, useable ((marijuana))
 cannabis, or ((marijuana-infused)) cannabis-infused product.

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(x) "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.
- (y) (("Marijuana" or "marihuana")) "Cannabis" 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) Hemp or industrial hemp as defined in RCW 15.140.020, seeds used for licensed hemp production under chapter 15.140 RCW.
- 31 (z) (("Marijuana)) "Cannabis concentrates" means products 32 consisting wholly or in part of the resin extracted from any part of 33 the plant *Cannabis* and having a THC concentration greater than ten 34 percent.
- (aa) (("Marijuana)) "Cannabis processor" means a person licensed by the board to process ((marijuana into marijuana)) cannabis into cannabis concentrates, useable ((marijuana, and marijuana-infused)) cannabis, and cannabis-infused products, package and label ((marijuana)) cannabis concentrates, useable ((marijuana, and marijuana-infused)) cannabis, and cannabis-infused products for sale

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in retail outlets, and sell ((marijuana)) <u>cannabis</u> concentrates, useable ((marijuana, and marijuana-infused)) <u>cannabis</u>, and <u>cannabis</u>-infused products at wholesale to ((marijuana)) <u>cannabis</u> retailers.

- (bb) (("Marijuana)) "Cannabis producer" means a person licensed by the board to produce and sell ((marijuana)) cannabis at wholesale to ((marijuana)) cannabis processors and other ((marijuana)) cannabis producers.
- 8 (cc) (("Marijuana)) "Cannabis products" means useable
 9 ((marijuana, marijuana)) cannabis, cannabis concentrates, and
 10 ((marijuana-infused)) cannabis-infused products as defined in this
 11 section.
 - (dd) (("Marijuana)) "Cannabis researcher" means a person licensed by the board to produce, process, and possess ((marijuana)) cannabis for the purposes of conducting research on ((marijuana and marijuanaderived)) cannabis and cannabis-derived drug products.
 - (ee) (("Marijuana)) "Cannabis retailer" means a person licensed by the board to sell ((marijuana)) cannabis concentrates, useable ((marijuana, and marijuana-infused)) cannabis, and cannabis-infused products in a retail outlet.
 - (ff) (("Marijuana-infused)) "Cannabis-infused products" means products that contain ((marijuana or marijuana)) cannabis or cannabis extracts, are intended for human use, are derived from ((marijuana)) cannabis as defined in subsection (y) of this section, and have a THC concentration no greater than ten percent. The term (("marijuana-infused)) "cannabis-infused products" does not include either useable ((marijuana or marijuana)) cannabis or cannabis concentrates.
 - (gg) "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.

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

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- 7 (7) Ecgonine, or any derivative, salt, isomer, or salt of isomer 8 thereof.
- 9 (8) Any compound, mixture, or preparation containing any quantity 10 of any substance referred to in (1) through (7) of this subsection.
 - (hh) "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.
- 20 (ii) "Opium poppy" means the plant of the species Papaver 21 somniferum L., except its seeds.
 - (jj) "Person" means individual, corporation, business trust, estate, trust, partnership, association, joint venture, government, governmental subdivision or agency, or any other legal or commercial entity.
 - (kk) "Plant" has the meaning provided in RCW 69.51A.010.
 - (11) "Poppy straw" means all parts, except the seeds, of the opium poppy, after mowing.
 - (mm) "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 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

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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 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.
- (nn) "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.
- 25 (oo) "Production" includes the manufacturing, planting, 26 cultivating, growing, or harvesting of a controlled substance.
- (pp) "Qualifying patient" has the meaning provided in RCW 69.51A.010.
- 29 (qq) "Recognition card" has the meaning provided in RCW 30 69.51A.010.
- 31 (rr) "Retail outlet" means a location licensed by the board for 32 the retail sale of ((marijuana)) cannabis concentrates, useable 33 ((marijuana, and marijuana-infused)) cannabis, and cannabis-infused 34 products.
- 35 (ss) "Secretary" means the secretary of health or the secretary's designee.
- 37 (tt) "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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(uu) "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)) cannabis product, or the combined percent of delta-9 tetrahydrocannabinol and tetrahydrocannabinolic acid in any part of the plant Cannabis regardless of moisture content.

- (vv) "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.
- (www) "Useable ((marijuana")) cannabis" means dried ((marijuana))

 cannabis flowers. The term "useable ((marijuana")) cannabis" does not

 include either ((marijuana-infused)) cannabis-infused products or

 ((marijuana)) cannabis concentrates.
 - (xx) "Youth access" means the level of interest persons under the age of twenty-one may have in a vapor product, as well as the degree to which the product is available or appealing to such persons, and the likelihood of initiation, use, or addiction by adolescents and young adults.
- **Sec. 51.** RCW 69.50.102 and 2012 c 117 s 366 are each amended to 22 read as follows:
 - (a) As used in this chapter, "drug paraphernalia" means all equipment, products, and materials of any kind which are used, intended for use, or designed for use in planting, propagating, cultivating, growing, harvesting, manufacturing, compounding, converting, producing, processing, preparing, testing, analyzing, packaging, repackaging, storing, containing, concealing, injecting, ingesting, inhaling, or otherwise introducing into the human body a controlled substance. It includes, but is not limited to:
- 31 (1) Kits used, intended for use, or designed for use in planting, 32 propagating, cultivating, growing, or harvesting of any species of 33 plant which is a controlled substance or from which a controlled 34 substance can be derived;
- 35 (2) Kits used, intended for use, or designed for use in 36 manufacturing, compounding, converting, producing, processing, or 37 preparing controlled substances;

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- 1 (3) Isomerization devices used, intended for use, or designed for use in increasing the potency of any species of plant which is a controlled substance;
- 4 (4) Testing equipment used, intended for use, or designed for use 5 in identifying or in analyzing the strength, effectiveness, or purity 6 of controlled substances;
 - (5) Scales and balances used, intended for use, or designed for use in weighing or measuring controlled substances;
- 9 (6) Diluents and adulterants, such as quinine hydrochloride, 10 mannitol, mannite, dextrose, and lactose, used, intended for use, or 11 designed for use in cutting controlled substances;
 - (7) Separation gins and sifters used, intended for use, or designed for use in removing twigs and seeds from, or in otherwise cleaning or refining, ((marihuana)) cannabis;
- 15 (8) Blenders, bowls, containers, spoons, and mixing devices used, 16 intended for use, or designed for use in compounding controlled 17 substances;
- 18 (9) Capsules, balloons, envelopes, and other containers used, 19 intended for use, or designed for use in packaging small quantities 20 of controlled substances;
 - (10) Containers and other objects used, intended for use, or designed for use in storing or concealing controlled substances;
 - (11) Hypodermic syringes, needles, and other objects used, intended for use, or designed for use in parenterally injecting controlled substances into the human body;
 - (12) Objects used, intended for use, or designed for use in ingesting, inhaling, or otherwise introducing ((marihuana)) cannabis, cocaine, hashish, or hashish oil into the human body, such as:
- 29 (i) Metal, wooden, acrylic, glass, stone, plastic, or ceramic 30 pipes with or without screens, permanent screens, hashish heads, or 31 punctured metal bowls;
 - (ii) Water pipes;

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- (iii) Carburetion tubes and devices;
- (iv) Smoking and carburetion masks;
- 35 (v) Roach clips: Meaning objects used to hold burning material, 36 such as a ((marihuana)) cannabis cigarette, that has become too small 37 or too short to be held in the hand;
- 38 (vi) Miniature cocaine spoons, and cocaine vials;
- 39 (vii) Chamber pipes;
- 40 (viii) Carburetor pipes;

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- 1 (ix) Electric pipes;
- 2 (x) Air-driven pipes;
- 3 (xi) Chillums;

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- 4 (xii) Bongs; and
- 5 (xiii) Ice pipes or chillers.
- 6 (b) In determining whether an object is drug paraphernalia under 7 this section, a court or other authority should consider, in addition 8 to all other logically relevant factors, the following:
- 9 (1) Statements by an owner or by anyone in control of the object 10 concerning its use;
- 11 (2) Prior convictions, if any, of an owner, or of anyone in 12 control of the object, under any state or federal law relating to any 13 controlled substance;
- 14 (3) The proximity of the object, in time and space, to a direct violation of this chapter;
 - (4) The proximity of the object to controlled substances;
- 17 (5) The existence of any residue of controlled substances on the 18 object;
 - (6) Direct or circumstantial evidence of the intent of an owner, or of anyone in control of the object, to deliver it to persons whom he or she knows, or should reasonably know, intend to use the object to facilitate a violation of this chapter; the innocence of an owner, or of anyone in control of the object, as to a direct violation of this chapter shall not prevent a finding that the object is intended or designed for use as drug paraphernalia;
 - (7) Instructions, oral or written, provided with the object concerning its use;
- 28 (8) Descriptive materials accompanying the object which explain 29 or depict its use;
 - (9) National and local advertising concerning its use;
 - (10) The manner in which the object is displayed for sale;
- 32 (11) Whether the owner, or anyone in control of the object, is a 33 legitimate supplier of like or related items to the community, such 34 as a licensed distributor or dealer of tobacco products;
- 35 (12) Direct or circumstantial evidence of the ratio of sales of the object(s) to the total sales of the business enterprise;
- 37 (13) The existence and scope of legitimate uses for the object in 38 the community; and
- 39 (14) Expert testimony concerning its use.

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1
        Sec. 52. RCW 69.50.204 and 2019 c 158 s 13 are each amended to
    read as follows:
 2
        Unless specifically excepted by state or federal
 3
                                                                        or
    regulation or more specifically included in another schedule, the
 4
    following controlled substances are listed in Schedule I:
 5
 6
             Any of the following opiates, including their isomers,
    esters, ethers, salts, and salts of isomers, esters, and ethers
7
    whenever the existence of these isomers, esters, ethers, and salts is
8
    possible within the specific chemical designation:
9
10
         (1) Acetyl-alpha-methylfentanyl (N-[1-(1-methyl-2-phenethyl)-4-
11
    piperidinyl]-N-phenylacetamide);
12
         (2) Acetylmethadol;
13
        (3) Allylprodine;
14
             Alphacetylmethadol, except levo-alphacetylmethadol,
15
    known as levo-alpha-acetylmethadol, levomethadyl acetate, or LAAM;
16
         (5) Alphameprodine;
17
        (6) Alphamethadol;
                Alpha-methylfentanyl (N-[1-(alpha-methyl-beta-phenyl)
18
         (7)
19
    ethyl-4-piperidyl] propionanilide); (1-(1-methyl-2-phenylethyl)-4-(N-
    propanilido) piperidine);
20
21
             Alpha-methylthiofentanyl (N-[1-methyl-2-(2-thienyl)ethyl-4-
22
    piperidinyl] -N-phenylpropanamide);
23
         (9) Benzethidine;
24
        (10) Betacetylmethadol;
25
         (11)
                 Beta-hydroxyfentanyl
                                       (N-[1-(2-hydroxy-2-phenethyl)-4-
26
    piperidinyl] -N-phenylpropanamide);
27
         (12) Beta-hydroxy-3-methylfentanyl, some trade or other names:
28
    N-[1-(2-hydrox-2-phenethyl)-3-methyl-4-piperidinyl]-N-
29
    phenylpropanamide;
30
         (13) Betameprodine;
31
        (14) Betamethadol;
32
         (15) Betaprodine;
33
         (16) Clonitazene;
34
         (17) Dextromoramide;
         (18) Diampromide;
35
         (19) Diethylthiambutene;
36
37
         (20) Difenoxin;
         (21) Dimenoxadol;
38
         (22) Dimepheptanol;
39
40
         (23) Dimethylthiambutene;
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1
         (24) Dioxaphetyl butyrate;
 2
         (25) Dipipanone;
 3
         (26) Ethylmethylthiambutene;
         (27) Etonitazene;
 4
         (28) Etoxeridine;
 5
 6
         (29) Furethidine;
7
         (30) Hydroxypethidine;
         (31) Ketobemidone;
8
         (32) Levomoramide;
9
         (33) Levophenacylmorphan;
10
11
         (34)
                   3-Methylfentanyl
                                       (N-[3-methyl-1-(2-phenylethyl)-4-
12
    piperidyl]-N-phenylprop anamide);
                3-Methylthiofentanyl (N-[(3-methyl-1-(2-thienyl)ethyl-4-
13
         (35)
14
    piperidinyl] -N-phenylpropanamide);
15
         (36) Morpheridine;
16
         (37) MPPP (1-methyl-4-phenyl-4-propionoxypiperidine);
17
         (38) Noracymethadol;
18
         (39) Norlevorphanol;
19
         (40) Normethadone;
20
         (41) Norpipanone;
21
         (42)
                    Para-fluorofentanyl (N-(4-fluorophenyl)-N-[1-(2-
22
    phenethyl) -4-piperidinyl| propanamide);
23
         (43) PEPAP (1-(-2-phenethyl)-4-phenyl-4-acetoxypiperidine);
         (44) Phenadoxone;
24
25
         (45) Phenampromide;
26
         (46) Phenomorphan;
27
         (47) Phenoperidine;
28
         (48) Piritramide;
29
         (49) Proheptazine;
         (50) Properidine;
30
31
         (51) Propiram;
32
         (52) Racemoramide;
33
         (53) Thiofentanyl (N-phenyl-N-[1-(2-thienyl)ethyl-4-piperidinyl]-
34
    propanamide);
35
         (54) Tilidine;
36
         (55) Trimeperidine.
37
         (b) Opium derivatives. Unless specifically excepted or unless
    listed in another schedule, any of the following opium derivatives,
38
```

including their salts, isomers, and salts of isomers whenever the

39

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```
1
     existence of those salts, isomers, and salts of isomers is possible
    within the specific chemical designation:
2
 3
         (1) Acetorphine;
 4
         (2) Acetyldihydrocodeine;
         (3) Benzylmorphine;
5
 6
         (4) Codeine methylbromide;
         (5) Codeine-N-Oxide;
7
         (6) Cyprenorphine;
8
9
         (7) Desomorphine;
         (8) Dihydromorphine;
10
11
         (9) Drotebanol;
12
         (10) Etorphine, except hydrochloride salt;
         (11) Heroin;
13
         (12) Hydromorphinol;
14
         (13) Methyldesorphine;
15
16
         (14) Methyldihydromorphine;
17
         (15) Morphine methylbromide;
18
         (16) Morphine methylsulfonate;
19
         (17) Morphine-N-Oxide;
         (18) Myrophine;
20
21
         (19) Nicocodeine;
22
         (20) Nicomorphine;
```

25 (23) Thebacon. (c) Hallucinogenic substances. Unless specifically excepted or 26 27 unless listed in another schedule, any material, compound, mixture, 28 preparation which contains any quantity of the following hallucinogenic substances, including their salts, isomers, and salts 29 of isomers whenever the existence of those salts, isomers, and salts 30 31 of isomers is possible within the specific chemical designation. For the purposes of this subsection only, the term "isomer" includes the 32 33 optical, position, and geometric isomers:

23

24

(21) Normorphine;
(22) Pholcodine;

- 34 (1) Alpha-ethyltryptamine: Some trade or other names: 35 Etryptamine; monase; a-ethyl-1H-indole-3-ethanamine; 3-(2-aminobutyl) 36 indole; a-ET; and AET;
- 37 (2) 4-bromo-2,5-dimethoxy-amphetamine: Some trade or other names: 4-bromo-2,5-dimethoxy-a-methylphenethylamine; 4-bromo-2,5-DMA;

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```
1
         (3) 4-bromo-2,5-dimethoxyphenethylamine: Some trade or other
     names: 2-(4-bromo-2,5-dimethoxyphenyl)-1-aminoethane; alpha-desmethyl
 2
 3
     DOB; 2C-B, nexus;
         (4) 2,5-dimethoxyamphetamine: Some trade or other names: 2,5-
 4
     dimethoxy-a-methylphenethylamine; 2,5-DMA;
 5
 6
         (5) 2,5-dimethoxy-4-ethylamphetamine (DOET);
 7
              2,5-dimethoxy-4-(n)-propylthiophenethylamine:
                                                                Other
                                                                        name:
     2C-T-7;
8
         (7) 4-methoxyamphetamine: Some trade or other names: 4-methoxy-a-
9
    methylphenethylamine; paramethoxyamphetamine, PMA;
10
11
         (8) 5-methoxy-3,4-methylenedioxy-amphetamine;
12
              4-methyl-2,5-dimethoxy-amphetamine: Some trade and other
              4-methyl-2,5-dimethoxy-a-methylphenethylamine;
13
     names:
                                                                 "DOM";
                                                                          and
     "STP";
14
15
         (10) 3,4-methylenedioxy amphetamine;
16
         (11) 3,4-methylenedioxymethamphetamine (MDMA);
17
         (12) 3,4-methylenedioxy-N-ethylamphetamine, also known
                                                                           N-
18
     ethyl-alpha-methyl-3,4 (methylenedioxy) phenethylamine,
                                                              N-ethyl
                                                                         MDA,
19
    MDE, MDEA;
         (13)
                N-hydroxy-3,4-methylenedioxyamphetamine also
20
                                                                   known
                                                                           as
21
     N-hydroxy-alpha-methyl-3,4 (methylenedioxy) phenethylamine, N-hydroxy
22
    MDA;
23
         (14) 3,4,5-trimethoxy amphetamine;
         (15) Alpha-methyltryptamine: Other name: AMT;
24
25
         (16)
                Bufotenine:
                             Some trade or other
                                                            names:
                                                                     3-(beta-
26
     Dimethylaminoethyl)-5-hydroxindole;
                                                 3-(2-dimethylaminoethyl)-5-
27
     indolol;
              N, N-dimethylserotonin; 5-hydroxy-N, N-dimethyltryptamine;
28
    mappine;
29
         (17) Cannabis;
30
         (18) Diethyltryptamine:
                                     Some
                                            trade
                                                        other
                                                                         N, N-
                                                    or
                                                                names:
31
     Diethyltryptamine; DET;
32
         ((<del>(18)</del>)) <u>(19)</u> Dimethyltryptamine: Some trade or other names: DMT;
33
         (((19))) (20) 5-methoxy-N, N-diisopropyltryptamine: Other
34
     5-MeO-DIPT;
         ((\frac{(20)}{(20)})) <u>(21)</u> Ibogaine: Some trade or other names: 7-Ethyl-6,6
35
36
    beta, 7, 8, 9, 10, 12, 13, -octahydro-2-methoxy-6, 9-methano-5H-pyndo (1', 2'
     1,2) azepino (5,4-b) indole; Tabernanthe iboga;
37
38
         ((\frac{(21)}{(21)})) <u>(22)</u> Lysergic acid diethylamide;
39
         ((<del>(22) Marihuana or marijuana;</del>))
40
         (23) Mescaline;
```

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- 1 (24) Parahexyl-7374: Some trade or other names: 3-Hexyl-1-2 hydroxy-7, 8, 9, 10-tetrahydro-6, 6, 9-trimethyl-6H-3 dibenzo[b,d]pyran; synhexyl;
 - (25) Peyote, meaning all parts of the plant presently classified botanically as Lophophora Williamsii Lemaire, whether growing or not, the seeds thereof, any extract from any part of such plant, and every compound, manufacture, salts, derivative, mixture, or preparation of such plant, its seeds, or extracts; (interprets 21 U.S.C. Sec. 812 (c), Schedule I (c) (12));
- 10 (26) N-ethyl-3-piperidyl benzilate;
- 11 (27) N-methyl-3-piperidyl benzilate;
- 12 (28) Psilocybin;
- 13 (29) Psilocyn;

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- 14 (30)(i) Tetrahydrocannabinols, meaning tetrahydrocannabinols
 15 naturally contained in a plant of the genera Cannabis, as well as
 16 synthetic equivalents of the substances contained in the plant, or in
 17 the resinous extractives of the genera Cannabis, and/or synthetic
 18 substances, derivatives, and their isomers with similar chemical
 19 structure and pharmacological activity such as the following:
- 20 (A) 1 cis or trans tetrahydrocannabinol, and their optical 21 isomers, excluding tetrahydrocannabinol in sesame oil and 22 encapsulated in a soft gelatin capsule in a drug product approved by 23 the United States Food and Drug Administration;
- 24 (B) 6 cis or trans tetrahydrocannabinol, and their optical isomers;
- 26 (C) 3,4 cis or trans tetrahydrocannabinol, and its optical isomers; or
 - (D) That is chemically synthesized and either:
- 29 (I) Has been demonstrated to have binding activity at one or more 30 cannabinoid receptors; or
- 31 (II) Is a chemical analog or isomer of a compound that has been 32 demonstrated to have binding activity at one or more cannabinoid 33 receptors;
- 34 (Since nomenclature of these substances is not internationally 35 standardized, compounds of these structures, regardless of numerical 36 designation of atomic positions covered.)
- 37 (ii) Hemp and industrial hemp, as defined in RCW 15.140.020, are 38 excepted from the categories of controlled substances identified 39 under this section;

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- 1 (31) Ethylamine analog of phencyclidine: Some trade or other 2 names: N-ethyl-1phenylcyclohexalymine, (1-phenylcyclohexal) 3 ethylamine; N-(1-phenylcyclohexyl)ethylamine; cyclohexamine; PCE;
 - (32) Pyrrolidine analog of phencyclidine: Some trade or other names: 1-(1-phencyclohexyl)pyrrolidine; PCPy; PHP;
- 6 (33) Thiophene analog of phencyclidine: Some trade or other 7 names: 1-(1-[2-thenyl]-cyclohexly)-pipendine; 2-thienylanalog of 8 phencyclidine; TPCP; TCP;
- 9 (34) 1-[1-(2-thienyl)cyclohexyl]pyrrolidine: A trade or other 10 name is TCPy.
 - (d) Depressants. Unless specifically excepted or unless listed in another schedule, any material, compound, mixture, or preparation which contains any quantity of the following substances having a depressant effect on the central nervous system, including its salts, isomers, and salts of isomers whenever the existence of such salts, isomers, and salts of isomers is possible within the specific chemical designation.
 - (1) Gamma-hydroxybutyric acid: Some other names include GHB; gamma-hydroxybutyrate; 4-hydroxybutyrate; 4-hydroxybutanoic acid; sodium oxybate; sodium oxybutyrate;
 - (2) Mecloqualone;
 - (3) Methaqualone.

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- (e) Stimulants. Unless specifically excepted or unless listed in another schedule, any material, compound, mixture, or preparation which contains any quantity of the following substances having a stimulant effect on the central nervous system, including its salts, isomers, and salts of isomers:
- (1) Aminorex: Some other names: aminoxaphen; 2-amino-5-phenyl-2-oxazoline; or 4, 5-dihydro-5-phenly-2-oxazolamine;
 - (2) N-Benzylpiperazine: Some other names: BZP, 1-benzylpiperazine;
- 31 (3) Cathinone, also known as 2-amino-1-phenyl-1-propanone, 32 alpha-aminopropiophenone, 2-aminopropiophenone and norephedrone;
 - (4) Fenethylline;
- 34 Methcathinone: Some other names: 2-(methylamino)-(5) propiophenone; alpha-(methylamino)propiophenone; 2-(methylamino)-1-35 36 phenylpropan-1-one; alpha-N-methylaminopropiophenone; monomethylpropion; ephedrone; N-methylcathinone; methylcathinone; 37 AL-464; AL-422; AL-463 and UR1432, its salts, optical isomers, and 38 39 salts of optical isomers;

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- 1 (6) (+-) cis-4-methylaminorex ((+-) cis-4,5-dihydro-4-methyl-5phenyl-2-oxazolamine); 2
 - (7) N-ethylamphetamine;

4

5

38

(8) N, N-dimethylamphetamine: Some trade or other names: N, Nalpha-trimethyl-benzeneethanamine; N,N-alpha-trimethylphenoethylene.

6 controlled substances in this section may be added, rescheduled, or deleted as provided for in RCW 69.50.201. 7

- Sec. 53. RCW 69.50.325 and 2020 c 236 s 6 are each amended to 8 read as follows: 9
- 10 (1) There shall be a ((marijuana)) cannabis producer's license regulated by the board and subject to annual renewal. The licensee is 11 authorized to produce: (a) ((Marijuana)) Cannabis for sale at 12 13 wholesale to ((marijuana)) cannabis processors and ((marijuana)) cannabis producers; (b) immature plants or clones and 14 15 seeds for sale to cooperatives as described under RCW 69.51A.250; and 16 (c) immature plants or clones and seeds for sale to qualifying patients and designated providers as provided under RCW 69.51A.310. 17 18 The production, possession, delivery, distribution, and sale of ((marijuana)) cannabis in accordance with the provisions of this 19 chapter and the rules adopted to implement and enforce it, by a 20 21 validly licensed ((marijuana)) cannabis producer, shall not be a criminal or civil offense under Washington state law. 22 ((marijuana)) cannabis producer's license shall be issued in the name 23 24 of the applicant, shall specify the location at which the ((marijuana)) cannabis producer intends to operate, which must be 25 within the state of Washington, and the holder thereof shall not 26 27 allow any other person to use the license. The application fee for a ((marijuana)) cannabis producer's license shall be two hundred fifty 28 29 dollars. The annual fee for issuance and renewal of a ((marijuana)) 30 cannabis producer's license shall be one thousand three hundred 31 eighty-one dollars. A separate license shall be required for each 32 location at which a ((marijuana)) cannabis producer intends to produce ((marijuana)) cannabis. 33
- (2) There shall be a ((marijuana)) cannabis processor's license 34 35 to process, package, and label ((marijuana)) cannabis concentrates, useable ((marijuana, and marijuana-infused)) cannabis, and cannabis-36 <u>infused</u> products for sale at wholesale to ((marijuana)) cannabis 37 processors and ((marijuana)) cannabis retailers, regulated by the board and subject to annual renewal. The processing, packaging, 39

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1 possession, delivery, distribution, and sale of ((marijuana)) cannabis, useable ((marijuana, marijuana-infused)) cannabis, 2 cannabis-infused products, and ((marijuana)) cannabis concentrates in 3 accordance with the provisions of this chapter and chapter 69.51A RCW 4 and the rules adopted to implement and enforce these chapters, by a 5 6 validly licensed ((marijuana)) cannabis processor, shall not be a criminal or civil offense under Washington state 7 law. ((marijuana)) cannabis processor's license shall be issued in the 8 name of the applicant, shall specify the location at which the 9 10 licensee intends to operate, which must be within the state of Washington, and the holder thereof shall not allow any other person 11 12 to use the license. The application fee for a ((marijuana)) cannabis processor's license shall be two hundred fifty dollars. The annual 13 fee for issuance and renewal of a ((marijuana)) cannabis processor's 14 15 license shall be one thousand three hundred eighty-one dollars. A 16 separate license shall be required for each location at which a ((marijuana)) cannabis processor intends to process ((marijuana)) 17 18 cannabis.

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(3) (a) There shall be a ((marijuana)) cannabis retailer's license to sell ((marijuana)) cannabis concentrates, useable ((marijuana, and marijuana-infused)) cannabis, and cannabis-infused products at retail in retail outlets, regulated by the board and subject to annual possession, delivery, distribution, and sale renewal. The <u>cannabis</u> concentrates, useable ((marijuana)) ((marijuana, and accordance with the provisions of this chapter and the rules adopted to implement and enforce it, by a validly licensed ((marijuana)) cannabis retailer, shall not be a criminal or civil offense under Washington state law. Every ((marijuana)) cannabis retailer's license shall be issued in the name of the applicant, shall specify the location of the retail outlet the licensee intends to operate, which must be within the state of Washington, and the holder thereof shall not allow any other person to use the license. The application fee for a ((marijuana)) cannabis retailer's license shall be two hundred fifty dollars. The annual fee for issuance and renewal of a ((marijuana)) cannabis retailer's license shall be one thousand three hundred eighty-one dollars. A separate license shall be required for each location at which a ((marijuana)) cannabis retailer intends to sell ((marijuana)) cannabis concentrates, useable ((marijuana, and marijuana-infused)) cannabis, and cannabis-infused products.

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(b) An individual retail licensee and all other persons or entities with a financial or other ownership interest in the business operating under the license are limited, in the aggregate, to holding a collective total of not more than five retail ((marijuana)) cannabis licenses.

- (c)(i) A ((marijuana)) cannabis retailer's license is subject to forfeiture in accordance with rules adopted by the board pursuant to this section.
- (ii) The board shall adopt rules to establish a license forfeiture process for a licensed ((marijuana)) cannabis retailer that is not fully operational and open to the public within a specified period from the date of license issuance, as established by the board, subject to the following restrictions:
- (A) No ((marijuana)) cannabis retailer's license may be subject to forfeiture within the first nine months of license issuance; and
- (B) The board must require license forfeiture on or before twenty-four calendar months of license issuance if a ((marijuana)) cannabis retailer is not fully operational and open to the public, unless the board determines that circumstances out of the licensee's control are preventing the licensee from becoming fully operational and that, in the board's discretion, the circumstances warrant extending the forfeiture period beyond twenty-four calendar months.
- 23 (iii) The board has discretion in adopting rules under this 24 subsection (3)(c).
 - (iv) This subsection (3)(c) applies to ((marijuana)) cannabis retailer's licenses issued before and after July 23, 2017. However, no license of a ((marijuana)) cannabis retailer that otherwise meets the conditions for license forfeiture established pursuant to this subsection (3)(c) may be subject to forfeiture within the first nine calendar months of July 23, 2017.
 - (v) The board may not require license forfeiture if the licensee has been incapable of opening a fully operational retail ((marijuana)) cannabis business due to actions by the city, town, or county with jurisdiction over the licensee that include any of the following:
 - (A) The adoption of a ban or moratorium that prohibits the opening of a retail ((marijuana)) cannabis business; or
- 38 (B) The adoption of an ordinance or regulation related to zoning, 39 business licensing, land use, or other regulatory measure that has 40 the effect of preventing a licensee from receiving an occupancy

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- permit from the jurisdiction or which otherwise prevents a licensed ((marijuana)) cannabis retailer from becoming operational.
- 3 (d) The board may issue ((marijuana)) cannabis retailer licenses 4 pursuant to this chapter and RCW 69.50.335.
- **Sec. 54.** RCW 69.50.326 and 2018 c 132 s 1 are each amended to 6 read as follows:

- (1) Licensed ((marijuana)) cannabis producers and licensed ((marijuana)) cannabis processors may use a CBD product as an additive for the purpose of enhancing the cannabidiol concentration of any product authorized for production, processing, and sale under this chapter. Except as otherwise provided in subsection (2) of this section, such CBD product additives must be lawfully produced by, or purchased from, a producer or processor licensed under this chapter.
- (2) Subject to the requirements set forth in (a) and (b) of this subsection, and for the purpose of enhancing the cannabidiol concentration of any product authorized for production, processing, or sale under this chapter, licensed ((marijuana)) cannabis producers and licensed ((marijuana)) cannabis processors may use a CBD product obtained from a source not licensed under this chapter, provided the CBD product:
- 21 (a) Has a THC level of 0.3 percent or less on a dry weight basis; 22 and
 - (b) Has been tested for contaminants and toxins by a testing laboratory accredited under this chapter and in accordance with testing standards established under this chapter and the applicable administrative rules.
 - (3) Subject to the requirements of this subsection (3), the ((liquor and cannabis)) board may enact rules necessary to implement the requirements of this section. Such rule making is limited to regulations pertaining to laboratory testing and product safety standards for those cannabidiol products used by licensed producers and processors in the manufacture of ((marijuana)) cannabis products marketed by licensed retailers under this chapter ((69.50 RCW)). The purpose of such rule making must be to ensure the safety and purity of cannabidiol products used by ((marijuana)) cannabis producers and processors licensed under this chapter ((69.50 RCW)) and incorporated into products sold by licensed recreational ((marijuana)) cannabis retailers. This rule-making authority does not include the authority to enact rules regarding either the production or processing

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- practices of the industrial hemp industry or any cannabidiol products 1
- that are sold or marketed outside of the regulatory framework 2
- 3 established under this chapter ((69.50 RCW)).
- Sec. 55. RCW 69.50.327 and 2020 c 133 s 4 are each amended to 4 5 read as follows:
- 6 (1) Except as provided in subsection (2) of this section, 7 ((marijuana)) cannabis processors may incorporate in ((marijuana)) cannabis vapor products a characterizing flavor if the characterizing 8 flavor is derived from botanical terpenes naturally occurring in the 9 10 cannabis plant, regardless of source, and if the characterizing 11 flavor mimics the terpene profile found in a cannabis plant. Characterizing flavors authorized under this section do not include
- 12
- 13 any synthetic terpenes.
- (2) If the board determines a characterizing flavor otherwise 14
- 15 authorized under this section may pose a risk to public health or youth access, the board may, by rule adopted under RCW 69.50.342, 16
- 17 prohibit the use in ((marijuana)) cannabis vapor products of such a
- characterizing flavor. 18
- 19 **Sec. 56.** RCW 69.50.328 and 2013 c 3 s 5 are each amended to read 20 as follows:
- 21 Neither a licensed ((marijuana)) cannabis producer nor a licensed
- 22 ((marijuana)) cannabis processor shall have a direct or indirect
- 23 financial interest in a licensed ((marijuana)) cannabis retailer.
- Sec. 57. RCW 69.50.331 and 2020 c 154 s 1 are each amended to 24 25 read as follows:
- 26 (1) For the purpose of considering any application for a license
- to produce, process, research, transport, or deliver ((marijuana)) 27 cannabis, useable ((marijuana, marijuana)) cannabis, cannabis 28
- 29 concentrates, or ((marijuana-infused)) cannabis-infused products
- subject to the regulations established under RCW 69.50.385, or sell 30
- ((marijuana)) cannabis, or for the renewal of a license to produce, 31
- process, research, transport, or deliver ((marijuana)) cannabis, 32
- 33 useable ((marijuana, marijuana)) cannabis, cannabis concentrates, or
- ((marijuana-infused)) cannabis-infused products subject to the 34
- regulations established under RCW 69.50.385, or sell ((marijuana)) 35
- cannabis, the board must conduct a comprehensive, fair, and impartial 36
- evaluation of the applications timely received. 37

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- 1 (a) The board may cause an inspection of the premises to be made, and may inquire into all matters in connection with the construction 2 3 and operation of the premises. For the purpose of reviewing any application for a license and for considering the denial, suspension, 4 revocation, cancellation, or renewal or denial thereof, of any 5 6 license, the board may consider any prior criminal arrests or convictions of the applicant, any public safety administrative 7 violation history record with the board, and a criminal history 8 record information check. The board may submit the criminal history 9 record information check to the Washington state patrol and to the 10 identification division of the federal bureau of investigation in 11 12 order that these agencies may search their records for prior arrests and convictions of the individual or individuals who filled out the 13 forms. The board must require fingerprinting of any applicant whose 14 criminal history record information check is submitted to the federal 15 16 bureau of investigation. The provisions of RCW 9.95.240 and of 17 chapter 9.96A RCW do not apply to these cases. Subject to the provisions of this section, the board may, in its discretion, grant 18 or deny the renewal or license applied for. Denial may be based on, 19 without limitation, the existence of chronic illegal activity 20 21 documented in objections submitted pursuant to subsections (7)(c) and 22 (10) of this section. Authority to approve an uncontested or unopposed license may be granted by the board to any staff member the 23 board designates in writing. Conditions for granting this authority 24 25 must be adopted by rule.
 - (b) No license of any kind may be issued to:

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- (i) A person under the age of twenty-one years;
- (ii) A person doing business as a sole proprietor who has not lawfully resided in the state for at least six months prior to applying to receive a license;
- (iii) A partnership, employee cooperative, association, nonprofit corporation, or corporation unless formed under the laws of this state, and unless all of the members thereof are qualified to obtain a license as provided in this section; or
- (iv) A person whose place of business is conducted by a manager or agent, unless the manager or agent possesses the same qualifications required of the licensee.
- 38 (2)(a) The board may, in its discretion, subject to RCW 39 43.05.160, 69.50.563, 69.50.562, 69.50.334, and 69.50.342(3) suspend or cancel any license; and all protections of the licensee from

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criminal or civil sanctions under state law for producing, processing, researching, or selling ((marijuana, marijuana)) cannabis, cannabis concentrates, useable ((marijuana)) cannabis, or ((marijuana-infused)) cannabis-infused products thereunder must be suspended or terminated, as the case may be.

- (b) The board must immediately suspend the license of a person who has been certified pursuant to RCW 74.20A.320 by the department of social and health services as a person who is not in compliance with a support order. If the person has continued to meet all other requirements for reinstatement during the suspension, reissuance of the license is automatic upon the board's receipt of a release issued by the department of social and health services stating that the licensee is in compliance with the order.
- (c) The board may request the appointment of administrative law judges under chapter 34.12 RCW who shall have power to administer oaths, issue subpoenas for the attendance of witnesses and the production of papers, books, accounts, documents, and testimony, examine witnesses, receive testimony in any inquiry, investigation, hearing, or proceeding in any part of the state, and consider mitigating and aggravating circumstances in any case and deviate from any prescribed penalty, under rules the board may adopt.
- (d) Witnesses must be allowed fees and mileage each way to and from any inquiry, investigation, hearing, or proceeding at the rate authorized by RCW 34.05.446. Fees need not be paid in advance of appearance of witnesses to testify or to produce books, records, or other legal evidence.
- (e) In case of disobedience of any person to comply with the order of the board or a subpoena issued by the board, or any of its members, or administrative law judges, or on the refusal of a witness to testify to any matter regarding which he or she may be lawfully interrogated, the judge of the superior court of the county in which the person resides, on application of any member of the board or administrative law judge, compels obedience by contempt proceedings, as in the case of disobedience of the requirements of a subpoena issued from said court or a refusal to testify therein.
- (3) Upon receipt of notice of the suspension or cancellation of a license, the licensee must forthwith deliver up the license to the board. Where the license has been suspended only, the board must return the license to the licensee at the expiration or termination of the period of suspension. The board must notify all other

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licensees in the county where the subject licensee has its premises of the suspension or cancellation of the license; and no other licensee or employee of another licensee may allow or cause any ((marijuana, marijuana)) cannabis, cannabis concentrates, useable ((marijuana, or marijuana-infused)) cannabis, or cannabis-infused products to be delivered to or for any person at the premises of the subject licensee.

- (4) Every license issued under this chapter is subject to all conditions and restrictions imposed by this chapter or by rules adopted by the board to implement and enforce this chapter. All conditions and restrictions imposed by the board in the issuance of an individual license must be listed on the face of the individual license along with the trade name, address, and expiration date.
- 14 (5) Every licensee must post and keep posted its license, or licenses, in a conspicuous place on the premises.
 - (6) No licensee may employ any person under the age of twenty-one years.
 - (7) (a) Before the board issues a new or renewed license to an applicant it must give notice of the application to the chief executive officer of the incorporated city or town, if the application is for a license within an incorporated city or town, or to the county legislative authority, if the application is for a license outside the boundaries of incorporated cities or towns, or to the tribal government if the application is for a license within Indian country, or to the port authority if the application for a license is located on property owned by a port authority.
 - (b) The incorporated city or town through the official or employee selected by it, the county legislative authority or the official or employee selected by it, the tribal government, or port authority has the right to file with the board within twenty days after the date of transmittal of the notice for applications, or at least thirty days prior to the expiration date for renewals, written objections against the applicant or against the premises for which the new or renewed license is asked. The board may extend the time period for submitting written objections upon request from the authority notified by the board.
 - (c) The written objections must include a statement of all facts upon which the objections are based, and in case written objections are filed, the city or town or county legislative authority may request, and the board may in its discretion hold, a hearing subject

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to the applicable provisions of Title 34 RCW. If the board makes an initial decision to deny a license or renewal based on the written objections of an incorporated city or town or county legislative authority, the applicant may request a hearing subject to the applicable provisions of Title 34 RCW. If a hearing is held at the request of the applicant, board representatives must present and defend the board's initial decision to deny a license or renewal.

- (d) Upon the granting of a license under this title the board must send written notification to the chief executive officer of the incorporated city or town in which the license is granted, or to the county legislative authority if the license is granted outside the boundaries of incorporated cities or towns.
- (8) (a) Except as provided in (b) through (e) of this subsection, the board may not issue a license for any premises within one thousand feet of the perimeter of the grounds of any elementary or secondary school, playground, recreation center or facility, child care center, public park, public transit center, or library, or any game arcade admission to which is not restricted to persons aged twenty-one years or older.
- (b) A city, county, or town may permit the licensing of premises within one thousand feet but not less than one hundred feet of the facilities described in (a) of this subsection, except elementary schools, secondary schools, and playgrounds, by enacting an ordinance authorizing such distance reduction, provided that such distance reduction will not negatively impact the jurisdiction's civil regulatory enforcement, criminal law enforcement interests, public safety, or public health.
- (c) A city, county, or town may permit the licensing of research premises allowed under RCW 69.50.372 within one thousand feet but not less than one hundred feet of the facilities described in (a) of this subsection by enacting an ordinance authorizing such distance reduction, provided that the ordinance will not negatively impact the jurisdiction's civil regulatory enforcement, criminal law enforcement, public safety, or public health.
- (d) The board may license premises located in compliance with the distance requirements set in an ordinance adopted under (b) or (c) of this subsection. Before issuing or renewing a research license for premises within one thousand feet but not less than one hundred feet of an elementary school, secondary school, or playground in

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compliance with an ordinance passed pursuant to (c) of this subsection, the board must ensure that the facility:

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- (i) Meets a security standard exceeding that which applies to ((marijuana)) cannabis producer, processor, or retailer licensees;
- (ii) Is inaccessible to the public and no part of the operation of the facility is in view of the general public; and
- (iii) Bears no advertising or signage indicating that it is a ((marijuana)) cannabis research facility.
- (e) The board must issue a certificate of compliance if the premises met the requirements under (a), (b), (c), or (d) of this subsection on the date of the application. The certificate allows the licensee to operate the business at the proposed location notwithstanding a later occurring, otherwise disqualifying factor.
- (f) The board may not issue a license for any premises within Indian country, as defined in 18 U.S.C. Sec. 1151, including any fee patent lands within the exterior boundaries of a reservation, without the consent of the federally recognized tribe associated with the reservation or Indian country.
- (9) A city, town, or county may adopt an ordinance prohibiting a ((marijuana)) cannabis producer or ((marijuana)) cannabis processor from operating or locating a business within areas zoned primarily for residential use or rural use with a minimum lot size of five acres or smaller.
- (10) In determining whether to grant or deny a license or renewal of any license, the board must give substantial weight to objections from an incorporated city or town or county legislative authority based upon chronic illegal activity associated with the applicant's operations of the premises proposed to be licensed or the applicant's operation of any other licensed premises, or the conduct of the applicant's patrons inside or outside the licensed premises. "Chronic illegal activity" means (a) a pervasive pattern of activity that threatens the public health, safety, and welfare of the city, town, or county including, but not limited to, open container violations, assaults, disturbances, disorderly conduct, or other criminal law violations, or as documented in crime statistics, police reports, emergency medical response data, calls for service, field data, or similar records of a law enforcement agency for the city, town, county, or any other municipal corporation or any state agency; or (b) an unreasonably high number of citations for violations of RCW 46.61.502 associated with the applicant's or licensee's operation of

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any licensed premises as indicated by the reported statements given to law enforcement upon arrest.

- Sec. 58. RCW 69.50.334 and 2015 2nd sp.s. c 4 s 201 are each amended to read as follows:
- (1) The action, order, or decision of the ((state liquor and cannabis)) board as to any denial of an application for the reissuance of a license to produce, process, or sell ((marijuana)) cannabis, or as to any revocation, suspension, or modification of any license to produce, process, or sell ((marijuana)) cannabis, or as to the administrative review of a notice of unpaid trust fund taxes under RCW 69.50.565, must be an adjudicative proceeding and subject to the applicable provisions of chapter 34.05 RCW.
- (2) An opportunity for a hearing may be provided to an applicant for the reissuance of a license prior to the disposition of the application, and if no opportunity for a prior hearing is provided then an opportunity for a hearing to reconsider the application must be provided the applicant.
- (3) An opportunity for a hearing must be provided to a licensee prior to a revocation or modification of any license and, except as provided in subsection (6) of this section, prior to the suspension of any license.
- (4) An opportunity for a hearing must be provided to any person issued a notice of unpaid trust fund taxes under RCW 69.50.565.
 - (5) No hearing may be required under this section until demanded by the applicant, licensee, or person issued a notice of unpaid trust fund taxes under RCW 69.50.565.
- (6) The ((state liquor and cannabis)) board may summarily suspend a license for a period of up to one hundred eighty days without a prior hearing if it finds that public health, safety, or welfare imperatively require emergency action, and it incorporates a finding to that effect in its order. Proceedings for revocation or other action must be promptly instituted and determined. An administrative law judge may extend the summary suspension period for up to one calendar year from the first day of the initial summary suspension in the event the proceedings for revocation or other action cannot be completed during the initial one hundred eighty-day period due to actions by the licensee. The ((state liquor and cannabis)) board's enforcement division shall complete a preliminary staff investigation

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- of the violation before requesting an emergency suspension by the ((state liquor and cannabis)) board.
- **Sec. 59.** RCW 69.50.335 and 2020 c 236 s 2 are each amended to 4 read as follows:
- (1) Beginning December 1, 2020, and until July 1, 2028, ((marijuana)) cannabis retailer licenses that have been subject to forfeiture, revocation, or cancellation by the board, ((marijuana)) cannabis retailer licenses that were not previously issued by the board but could have been issued without exceeding the limit on the statewide number of ((marijuana)) cannabis retailer licenses established before January 1, 2020, by the board, may be issued or reissued to an applicant who meets the ((marijuana)) cannabis retailer license requirements of this chapter.

- (2) (a) In order to be considered for a retail license under subsection (1) of this section, an applicant must be a social equity applicant and submit a social equity plan along with other ((marijuana)) cannabis retailer license application requirements to the board. If the application proposes ownership by more than one person, then at least fifty-one percent of the proposed ownership structure must reflect the qualifications of a social equity applicant.
- (b) Persons holding an existing ((marijuana)) cannabis retailer license or title certificate for a ((marijuana)) cannabis retailer business in a local jurisdiction subject to a ban or moratorium on ((marijuana)) cannabis retail businesses may apply for a license under this section.
- (3) (a) In determining the issuance of a license among applicants, the board may prioritize applicants based on the extent to which the application addresses the components of the social equity plan.
- 30 (b) The board may deny any application submitted under this 31 subsection if the board determines that:
 - (i) The application does not meet social equity goals or does not meet social equity plan requirements; or
 - (ii) The application does not otherwise meet the licensing requirements of this chapter.
 - (4) The board may adopt rules to implement this section. Rules may include strategies for receiving advice on the social equity program from individuals the program is intended to benefit. Rules may also require that licenses awarded under this section be

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- transferred or sold only to individuals or groups of individuals who comply with the requirements for initial licensure as a social equity applicant with a social equity plan under this section.
 - (5) The annual fee for issuance, reissuance, or renewal for any license under this section must be equal to the fee established in RCW 69.50.325.
 - (6) For the purposes of this section:

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- (a) "Disproportionately impacted area" means a census tract or comparable geographic area that satisfies the following criteria, which may be further defined in rule by the board after consultation with the commission on African American affairs and other agencies and stakeholders as determined by the board:
 - (i) The area has a high poverty rate;
- 14 (ii) The area has a high rate of participation in income-based 15 federal or state programs;
 - (iii) The area has a high rate of unemployment; and
- 17 (iv) The area has a high rate of arrest, conviction, or 18 incarceration related to the sale, possession, use, cultivation, 19 manufacture, or transport of ((marijuana)) cannabis.
 - (b) "Social equity applicant" means:
 - (i) An applicant who has at least fifty-one percent ownership and control by one or more individuals who have resided for at least five of the preceding ten years in a disproportionately impacted area; or
 - (ii) An applicant who has at least fifty-one percent ownership and control by at least one individual who has been convicted of a ((marijuana)) cannabis offense or is a family member of such an individual.
 - (c) "Social equity goals" means:
- 29 (i) Increasing the number of ((marijuana)) cannabis retailer 30 licenses held by social equity applicants from disproportionately 31 impacted areas; and
- (ii) Reducing accumulated harm suffered by individuals, families, and local areas subject to severe impacts from the historical application and enforcement of ((marijuana)) cannabis prohibition laws.
- 36 (d) "Social equity plan" means a plan that addresses at least 37 some of the elements outlined in this subsection (6)(d), along with 38 any additional plan components or requirements approved by the board 39 following consultation with the task force created in RCW 69.50.336.

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(i) A statement that the social equity applicant qualifies as a social equity applicant and intends to own at least fifty-one percent of the proposed ((marijuana)) cannabis retail business or applicants representing at least fifty-one percent of the ownership of the proposed business qualify as social equity applicants;

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- (ii) A description of how issuing a ((marijuana)) cannabis retail license to the social equity applicant will meet social equity goals;
- 8 (iii) The social equity applicant's personal or family history
 9 with the criminal justice system including any offenses involving
 10 ((marijuana)) cannabis;
- 11 (iv) The composition of the workforce the social equity applicant 12 intends to hire;
- (v) Neighborhood characteristics of the location where the social equity applicant intends to operate, focusing especially on disproportionately impacted areas; and
- (vi) Business plans involving partnerships or assistance to organizations or residents with connection to populations with a history of high rates of enforcement of ((marijuana)) cannabis prohibition.
- 20 **Sec. 60.** RCW 69.50.336 and 2020 c 236 s 5 are each amended to 21 read as follows:
 - (1) A legislative task force on social equity in ((marijuana)) cannabis is established. The purpose of the task force is to make recommendations to the board including but not limited to establishing a social equity program for the issuance and reissuance of existing retail ((marijuana)) cannabis licenses, and to advise the governor and the legislature on policies that will facilitate development of a ((marijuana)) cannabis social equity program.
- 29 (2) The members of the task force are as provided in this 30 subsection.
- 31 (a) The president of the senate shall appoint one member from 32 each of the two largest caucuses of the senate.
- 33 (b) The speaker of the house of representatives shall appoint one 34 member from each of the two largest caucuses of the house of 35 representatives.
- 36 (c) The president of the senate and the speaker of the house of representatives shall jointly appoint:
 - (i) One member from each of the following:
 - (A) The commission on African American affairs;

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- 1 (B) The commission on Hispanic affairs;
- 2 (C) The governor's office of Indian affairs;
- 3 (D) An organization representing the African American community;
 - (E) An organization representing the Latinx community;
- 5 (F) A labor organization involved in the ((marijuana)) cannabis 6 industry;
 - (G) The liquor and cannabis board;
- 8 (H) The department of commerce;

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- (I) The office of the attorney general; and
- 10 (J) The association of Washington cities;
- 11 (ii) Two members that currently hold a ((marijuana)) cannabis
 12 retail license; and
- 13 (iii) Two members that currently hold a producer or processor 14 license or both.
 - (3) In addition to the members appointed to the task force under subsection (2) of this section, individuals representing other sectors may be invited by the chair of the task force, in consultation with the other appointed members of the task force, to participate in an advisory capacity in meetings of the task force.
 - (a) Individuals participating in an advisory capacity under this subsection are not members of the task force, may not vote, and are not subject to the appointment process established in this section.
 - (b) There is no limit to the number of individuals who may participate in task force meetings in an advisory capacity under this subsection.
 - (c) A majority of the task force members constitutes a quorum. If a member has not been designated for a position set forth in this section, that position may not be counted for the purpose of determining a quorum.
 - (4) The task force shall hold its first meeting by July 1, 2020. The task force shall elect a chair from among its legislative members at the first meeting. The election of the chair must be by a majority vote of the task force members who are present at the meeting. The chair of the task force is responsible for arranging subsequent meetings and developing meeting agendas.
 - (5) Staff support for the task force, including arranging the first meeting of the task force and assisting the chair of the task force in arranging subsequent meetings, must be provided by the health equity council of the governor's interagency council on health disparities. If Engrossed Second Substitute House Bill No. 1783 is

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enacted by June 30, 2020, then responsibility for providing staff support for the task force must be transferred to the office of equity created by Engrossed Second Substitute House Bill No. 1783 when requested by the office of equity.

- (6) The expenses of the task force must be paid jointly by the senate and the house of representatives. Task force expenditures are subject to approval by the senate facilities and operations committee and the house of representatives executive rules committee, or their successor committees.
- (7) Legislative members of the task force may be reimbursed for travel expenses in accordance with RCW 44.04.120. Nonlegislative members are not entitled to be reimbursed for travel expenses if they are elected officials or are participating on behalf of an employer, governmental entity, or other organization. Any reimbursement for other nonlegislative members is subject to chapter 43.03 RCW.
 - (8) The task force is a class one group under chapter 43.03 RCW.
- (9) A public comment period must be provided at every meeting of the task force.
- (10) The task force shall submit one or more reports on recommended policies that will facilitate the development of a ((marijuana)) cannabis social equity program in Washington to the governor, the board, and the appropriate committees of the legislature. The task force is encouraged to submit individual recommendations, as soon as possible, to facilitate the board's early work to implement the recommendations. The final recommendations must be submitted by December 1, 2020. The recommendations must include:
- (a) Factors the board must consider in distributing the licenses currently available from ((marijuana)) cannabis retailer licenses that have been subject to forfeiture, revocation, or cancellation by the board, or ((marijuana)) cannabis retailer licenses that were not previously issued by the board but could have been issued without exceeding the limit on the statewide number of ((marijuana)) cannabis retailer licenses established by the board before January 1, 2020; and
- (b) Whether any additional ((marijuana)) cannabis licenses should be issued beyond the total number of ((marijuana)) cannabis licenses that have been issued as of June 11, 2020. For purposes of determining the total number of licenses issued as of June 11, 2020, the total number includes licenses that have been forfeited, revoked, or canceled.

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- 1 (11) The board may adopt rules to implement the recommendations 2 of the task force. However, any recommendation to increase the number 3 of retail outlets above the current statewide limit of retail 4 outlets, established by the board before January 1, 2020, must be 5 approved by the legislature.
 - (12) This section expires June 30, 2022.

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- 7 **Sec. 61.** RCW 69.50.339 and 2013 c 3 s 8 are each amended to read 8 as follows:
- 9 (1) If the ((state liquor control)) board approves, a license to 10 produce, process, or sell ((marijuana)) cannabis may be transferred, without charge, to the surviving spouse or domestic partner of a 11 deceased licensee if the license was issued in the names of one or 12 13 both of the parties. For the purpose of considering the qualifications of the surviving party to receive a ((marijuana)) 14 15 producer's, ((marijuana)) cannabis processor's, 16 ((marijuana)) cannabis retailer's license, the ((state liquor 17 control)) board may require a criminal history record information check. The ((state liquor control)) board may submit the criminal 18 history record information check to the Washington state patrol and 19 20 to the identification division of the federal bureau of investigation 21 in order that these agencies may search their records for prior arrests and convictions of the individual or individuals who filled 22 out the forms. The ((state liquor control)) board shall require 23 24 fingerprinting of any applicant whose criminal history record 25 information check is submitted to the federal bureau of 26 investigation.
 - (2) The proposed sale of more than ten percent of the outstanding or issued stock of a corporation licensed under chapter 3, Laws of 2013, or any proposed change in the officers of such a corporation, must be reported to the ((state liquor control)) board, and ((state liquor control)) board approval must be obtained before the changes are made. A fee of seventy-five dollars will be charged for the processing of the change of stock ownership or corporate officers.
- 34 **Sec. 62.** RCW 69.50.342 and 2020 c 133 s 3 are each amended to 35 read as follows:
- 36 (1) For the purpose of carrying into effect the provisions of 37 chapter 3, Laws of 2013 according to their true intent or of 38 supplying any deficiency therein, the board may adopt rules not

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- 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 board is empowered to adopt rules regarding the following:
- 5 (a) The equipment and management of retail outlets and premises 6 where ((marijuana)) cannabis is produced or processed, and inspection 7 of the retail outlets and premises where ((marijuana)) cannabis is 8 produced or processed;
 - (b) The books and records to be created and maintained by licensees, the reports to be made thereon to the board, and inspection of the books and records;

- (c) Methods of producing, processing, and packaging ((marijuana)) cannabis, useable ((marijuana, marijuana)) cannabis, cannabis concentrates, and ((marijuana-infused)) cannabis-infused products; conditions of sanitation; safe handling requirements; approved pesticides and pesticide testing requirements; and standards of ingredients, quality, and identity of ((marijuana)) cannabis, useable ((marijuana, marijuana)) cannabis, cannabis concentrates, and ((marijuana-infused)) cannabis-infused products produced, processed, packaged, or sold by licensees;
- 21 (d) Security requirements for retail outlets and premises where 22 ((marijuana)) cannabis is produced or processed, and safety protocols 23 for licensees and their employees;
- 24 (e) Screening, hiring, training, and supervising employees of licensees;
 - (f) Retail outlet locations and hours of operation;
 - (g) Labeling requirements and restrictions on advertisement of ((marijuana)) cannabis, useable ((marijuana, marijuana)) cannabis, cannabis concentrates, cannabis health and beauty aids, and ((marijuana-infused)) cannabis-infused products for sale in retail outlets;
 - (h) 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 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

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1 search their records for prior arrests and convictions of the individual or individuals who filled out the forms. The board must require fingerprinting of any applicant whose criminal history record 3 check is submitted to the federal information investigation;

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- (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;
- (j) 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;
- (k) Times and periods when, and the manner, methods, and means by which, licensees transport and deliver ((marijuana, marijuana)) cannabis, cannabis concentrates, useable ((marijuana)) cannabis, and ((marijuana-infused)) cannabis-infused products within the state;
- Identification, seizure, confiscation, destruction, or donation to law enforcement for training purposes of all ((marijuana, marijuana)) cannabis, cannabis concentrates, useable ((marijuana)) cannabis, and ((marijuana-infused)) cannabis-infused 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;
- (m) The prohibition of any type of device used in conjunction with a ((marijuana)) cannabis vapor product and the prohibition of the use of any type of additive, solvent, ingredient, or compound in the production and processing of ((marijuana)) cannabis products, including ((marijuana)) cannabis vapor products, when the board determines, following consultation with the department of health or any other authority the board deems appropriate, that the device, additive, solvent, ingredient, or compound may pose a risk to public health or youth access; and
- (n) Requirements for processors to submit under oath to the department of health a complete list of all constituent substances and the amount and sources thereof in each ((marijuana)) cannabis vapor product, including all additives, thickening agents, preservatives, compounds, and any other substance used in the production and processing of each ((marijuana)) cannabis vapor product.

p. 109 HB 1210 (2) Rules adopted on retail outlets holding medical ((marijuana)) cannabis endorsements must be adopted in coordination and consultation with the department.

- (3) The board must adopt rules to perfect and expand existing programs for compliance education for licensed ((marijuana)) cannabis businesses and their employees. The rules must include a voluntary compliance program created in consultation with licensed ((marijuana)) cannabis businesses and their employees. The voluntary compliance program must include recommendations on abating violations of this chapter and rules adopted under this chapter.
- **Sec. 63.** RCW 69.50.345 and 2019 c 393 s 2 are each amended to 12 read as follows:
 - 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)) cannabis producers, ((marijuana)) cannabis processors, and ((marijuana)) cannabis retailers, including prescribing forms and establishing application, reinstatement, and renewal fees.
 - (a) Application forms for ((marijuana)) cannabis producers must request the applicant to state whether the applicant intends to produce ((marijuana)) cannabis for sale by ((marijuana)) cannabis retailers holding medical ((marijuana)) cannabis 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)) cannabis concentrates, useable ((marijuana, or marijuana-infused)) cannabis, or cannabis-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 of production space for those ((marijuana)) cannabis producers who intend to grow plants for ((marijuana)) cannabis retailers holding medical ((marijuana)) cannabis endorsements if the ((marijuana)) cannabis 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)) cannabis concentrates, useable ((marijuana, or

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marijuana-infused)) cannabis, or cannabis-infused products to be sold 1 to qualifying patients. If current ((marijuana)) cannabis producers 2 do not use all the increased production space, the ((state liquor and 3 cannabis)) board may reopen the license period for new ((marijuana)) 4 cannabis producer license applicants but only to those ((marijuana)) 5 6 cannabis producers who agree to grow plants for ((marijuana)) retailers holding medical ((marijuana)) 7 cannabis endorsements. Priority in licensing must be given to ((marijuana)) 8 cannabis producer license applicants who have an application pending 9 on July 24, 2015, but who are not yet licensed and then to new 10 11 ((marijuana)) cannabis producer license applicants. After January 1, 12 2017, any reconsideration of the limits on the amount of square feet permitted to be in production to meet the medical needs of qualifying 13 must consider information contained 14 in the medical ((marijuana)) cannabis authorization database established in RCW 15 16 69.51A.230;

- (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;

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- (b) Security and safety issues;
- (c) The provision of adequate access to licensed sources of ((marijuana)) cannabis concentrates, useable ((marijuana, and marijuana-infused)) cannabis, and cannabis-infused products to discourage purchases from the illegal market; and
- (d) The number of retail outlets holding medical ((marijuana)) cannabis 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)) cannabis authorization database established in RCW 69.51A.230;
- 38 (3) Determining the maximum quantity of ((marijuana a marijuana))
 39 <u>cannabis a cannabis</u> producer may have on the premises of a licensed
 40 location at any time without violating Washington state law;

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- (4) Determining the maximum quantities of ((marijuana, marijuana)) cannabis, cannabis concentrates, useable ((marijuana, and marijuana-infused)) cannabis, and cannabis-infused products a ((marijuana)) cannabis 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)) cannabis concentrates, useable ((marijuana, and marijuana-infused)) cannabis, and cannabis-infused products a ((marijuana)) cannabis 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)) cannabis, cannabis concentrates, useable ((marijuana, and marijuana-infused)) cannabis, and cannabis-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;
- (7) Determining the nature, form, and capacity of all containers to be used by licensees to contain ((marijuana, marijuana)) cannabis, cannabis concentrates, useable ((marijuana, and marijuana-infused)) cannabis, and cannabis-infused products, and their labeling requirements;
- (8) In consultation with the department of agriculture and the department, establishing classes of ((marijuana, marijuana)) cannabis, cannabis concentrates, useable ((marijuana, and marijuana-infused)) cannabis, and cannabis 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)) cannabis, cannabis concentrates, useable ((marijuana, and marijuana-infused)) cannabis, and cannabis-infused products that are not inconsistent with the provisions of this chapter, taking into consideration:
- 39 (a) Federal laws relating to ((marijuana)) cannabis that are 40 applicable within Washington state;

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1 (b) Minimizing exposure of people under twenty-one years of age 2 to the advertising;

- (c) The inclusion of medically and scientifically accurate information about the health and safety risks posed by ((marijuana)) cannabis use in the advertising; and
- 6 (d) Ensuring that retail outlets with medical ((marijuana))
 7 cannabis endorsements may advertise themselves as medical retail
 8 outlets;
 - (10) Specifying and regulating the time and periods when, and the manner, methods, and means by which, licensees shall transport and deliver ((marijuana, marijuana)) cannabis, cannabis concentrates, useable ((marijuana, and marijuana-infused)) cannabis, and cannabis-infused products within the state;
 - (11) 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)) cannabis, cannabis concentrates, useable ((marijuana, and marijuana-infused)) cannabis, and cannabis-infused products; conditions of sanitation; and standards of ingredients, quality, and identity of ((marijuana, marijuana)) cannabis, cannabis concentrates, useable ((marijuana, and marijuana-infused)) cannabis, and cannabis-infused products produced, processed, packaged, or sold by licensees;
 - (12) Specifying procedures for identifying, seizing, confiscating, destroying, and donating to law enforcement for training purposes all ((marijuana, marijuana)) cannabis, cannabis concentrates, useable ((marijuana, and marijuana-infused)) cannabis, and cannabis-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. 64.** RCW 69.50.345 and 2019 c 393 s 2 and 2019 c 277 s 6 are 35 each reenacted and amended to read as follows:
- 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:

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(1) Licensing of ((marijuana)) cannabis producers, ((marijuana)) cannabis processors, and ((marijuana)) cannabis retailers, including prescribing forms and establishing application, reinstatement, and renewal fees.

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- (a) Application forms for ((marijuana)) cannabis producers must request the applicant to state whether the applicant intends to produce ((marijuana)) cannabis for sale by ((marijuana)) cannabis retailers holding medical ((marijuana)) cannabis 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)) cannabis concentrates, useable ((marijuana, or marijuana-infused)) cannabis, or cannabis-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)) cannabis producers who intend to grow plants for ((marijuana)) cannabis retailers holding medical ((marijuana)) cannabis endorsements if the ((marijuana)) <u>cannabis</u> 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 <u>cannabis</u> concentrates, useable ((marijuana, or ((marijuana)) marijuana-infused)) cannabis, or cannabis-infused products to be sold to qualifying patients. If current ((marijuana)) cannabis producers do not use all the increased production space, the ((state liquor and cannabis)) board may reopen the license period for new ((marijuana)) cannabis producer license applicants but only to those ((marijuana)) cannabis producers who agree to grow plants for ((marijuana)) <u>cannabis</u> retailers holding medical ((marijuana)) endorsements. Priority in licensing must be given to ((marijuana)) cannabis producer license applicants who have an application pending on July 24, 2015, but who are not yet licensed and then to new ((marijuana)) cannabis 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 must consider information contained in the medical ((marijuana)) cannabis 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)) cannabis concentrates, useable ((marijuana, and marijuana-infused)) cannabis, and cannabis-infused products to discourage purchases from the illegal market; and
- (d) The number of retail outlets holding medical ((marijuana)) cannabis 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)) cannabis authorization database established in RCW 69.51A.230;
- (3) Determining the maximum quantity of ((marijuana a marijuana)) cannabis a cannabis 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)) cannabis, cannabis concentrates, useable ((marijuana, and marijuana-infused)) cannabis, and cannabis-infused products a ((marijuana)) cannabis 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)) cannabis concentrates, useable ((marijuana, and marijuana-infused)) cannabis, and cannabis-infused products a ((marijuana)) cannabis 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)) cannabis, cannabis concentrates, useable

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((marijuana, and marijuana-infused)) cannabis, and cannabis-infused products to discourage purchases from the illegal market; and

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- (c) Economies of scale, and their impact on licensees' ability to both comply with regulatory requirements and undercut illegal market prices;
- (7) Determining the nature, form, and capacity of all containers to be used by licensees to contain ((marijuana, marijuana)) cannabis, cannabis concentrates, useable ((marijuana, and marijuana-infused)) cannabis, and cannabis-infused products, and their labeling requirements;
- (8) In consultation with the department of agriculture and the department, establishing classes of ((marijuana, marijuana)) cannabis, cannabis concentrates, useable ((marijuana, and marijuana-infused)) cannabis, and cannabis-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)) cannabis, cannabis concentrates, useable ((marijuana, and marijuana-infused)) cannabis, and cannabis-infused products that are not inconsistent with the provisions of this chapter, taking into consideration:
- 24 (a) Federal laws relating to ((marijuana)) cannabis that are 25 applicable within Washington state;
 - (b) Minimizing exposure of people under twenty-one years of age to the advertising;
 - (c) The inclusion of medically and scientifically accurate information about the health and safety risks posed by ((marijuana)) cannabis use in the advertising; and
- 31 (d) Ensuring that retail outlets with medical ((marijuana))
 32 cannabis endorsements may advertise themselves as medical retail
 33 outlets;
- 34 (10) Specifying and regulating the time and periods when, and the 35 manner, methods, and means by which, licensees shall transport and 36 deliver ((marijuana, marijuana)) cannabis, cannabis concentrates, 37 useable ((marijuana, and marijuana-infused)) cannabis, and cannabis-38 infused products within the state;
- 39 (11) In consultation with the department and the department of 40 agriculture, prescribing methods of producing, processing, and

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- 1 packaging ((marijuana, marijuana)) cannabis, cannabis concentrates,
- 2 useable ((marijuana, and marijuana-infused)) cannabis, and cannabis-
- 3 <u>infused</u> products; conditions of sanitation; and standards of
- 4 ingredients, quality, and identity of ((marijuana, marijuana))
- 5 <u>cannabis</u>, <u>cannabis</u> concentrates, useable ((marijuana, and marijuana-
- 6 infused)) cannabis, and cannabis-infused products produced,
- 7 processed, packaged, or sold by licensees;
- 8 (12) Specifying procedures for identifying, seizing,
- 9 confiscating, destroying, and donating to law enforcement for
- 10 training purposes all ((marijuana, marijuana)) cannabis, cannabis
- 11 concentrates, useable ((marijuana, and marijuana-infused)) cannabis,
- 12 <u>and cannabis-infused</u> products produced, processed, packaged, labeled,
- or offered for sale in this state that do not conform in all respects
- 14 to the standards prescribed by this chapter or the rules of the
- 15 ((state liquor and cannabis)) board.
- 16 **Sec. 65.** RCW 69.50.346 and 2019 c 393 s 3 are each amended to read as follows:
- 18 (1) The label on a ((marijuana)) cannabis product container,
- 19 including ((marijuana)) cannabis concentrates, useable ((marijuana,
- 20 or marijuana-infused)) <u>cannabis, or cannabis-infused</u> products, sold
- 21 at retail must include:
- 22 (a) The business or trade name and Washington state unified
- 23 business identifier number of the ((marijuana)) cannabis producer and
- 24 processor;

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- (b) The lot numbers of the product;
- 26 (c) The THC concentration and CBD concentration of the product;
- 27 (d) Medically and scientifically accurate and reliable
- 28 information about the health and safety risks posed by ((marijuana))
- 29 cannabis use;
 - (e) Language required by RCW 69.04.480; and
 - (f) A disclaimer, subject to the following conditions:
- 32 (i) Where there is one statement made under subsection (2) of
- 33 this section, or as described in subsection (5)(b) of this section,
- 34 the disclaimer must state "This statement has not been evaluated by
- 35 the State of Washington. This product is not intended to diagnose,
- 36 treat, cure, or prevent any disease."; and
- 37 (ii) Where there is more than one statement made under subsection
- 38 (2) of this section, or as described in subsection (5)(b) of this
- 39 section, the disclaimer must state "These statements have not been

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evaluated by the State of Washington. This product is not intended to diagnose, treat, cure, or prevent any disease."

- (2)(a) For ((marijuana)) cannabis products that have been identified by the department in rules adopted under RCW 69.50.375(4) in chapter 246-70 WAC as being a compliant ((marijuana)) cannabis product, the product label and labeling may include a structure or function claim describing the intended role of a product to maintain the structure or any function of the body, or characterize the documented mechanism by which the product acts to maintain such structure or function, provided that the claim is truthful and not misleading.
- 12 (b) A statement made under (a) of this subsection may not claim 13 to diagnose, mitigate, treat, cure, or prevent any disease.
 - (3) The labels and labeling may not be:
 - (a) False or misleading; or

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- (b) Especially appealing to children.
- (4) The label is not required to include the business or trade name or Washington state unified business identifier number of, or any information about, the ((marijuana)) cannabis retailer selling the ((marijuana)) cannabis product.
- 21 (5) A ((marijuana)) cannabis product is not in violation of any 22 Washington state law or rule of the ((Washington state liquor and 23 cannabis)) board solely because its label or labeling contains:
 - (a) Directions or recommended conditions of use; or
- 25 (b) A warning describing the psychoactive effects of the 26 ((marijuana)) cannabis product, provided that the warning is truthful 27 and not misleading.
 - (6) This section does not create any civil liability on the part of the state, the ((liquor and cannabis)) board, any other state agency, officer, employee, or agent based on a ((marijuana)) cannabis licensee's description of a structure or function claim or the product's intended role under subsection (2) of this section.
- 33 (7) Nothing in this section shall apply to a drug, as defined in 34 RCW 69.50.101, or a pharmaceutical product approved by the United 35 States food and drug administration.
- 36 **Sec. 66.** RCW 69.50.348 and 2019 c 277 s 1 are each amended to read as follows:
- 38 (1) On a schedule determined by the ((state liquor and cannabis))
 39 board, every licensed ((marijuana)) cannabis producer and processor

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- must submit representative samples of ((marijuana)) cannabis, useable ((marijuana, or marijuana-infused)) cannabis, or cannabis-infused products produced or processed by the licensee to an independent, third-party testing laboratory meeting the accreditation requirements established by the ((state liquor and cannabis)) board, for inspection and testing to certify compliance with quality assurance and product standards adopted by the ((state liquor and cannabis)) board under RCW 69.50.342. Any sample remaining after testing shall be destroyed by the laboratory or returned to the licensee submitting the sample.
 - (2) Licensees must submit the results of inspection and testing for quality assurance and product standards required under subsection (1) of this section to the ((state liquor and cannabis)) board on a form developed by the ((state liquor and cannabis)) board.

- (3) If a representative sample inspected and tested under this section does not meet the applicable quality assurance and product standards established by the ((state liquor and cannabis)) board, the entire lot from which the sample was taken must be destroyed.
- 19 (4) The ((state liquor and cannabis)) board may adopt rules 20 necessary to implement this section.
- **Sec. 67.** RCW 69.50.348 and 2019 c 277 s 2 are each amended to 22 read as follows:
 - (1) On a schedule determined by the ((state liquor and cannabis)) board, every licensed ((marijuana)) cannabis producer and processor must submit representative samples of ((marijuana)) cannabis, useable ((marijuana, or marijuana-infused)) cannabis, or cannabis-infused products produced or processed by the licensee to an independent, third-party testing laboratory meeting the accreditation requirements established by the state department of ecology, for inspection and testing to certify compliance with quality assurance and product standards adopted by the ((state liquor and cannabis)) board under RCW 69.50.342. Any sample remaining after testing shall be destroyed by the laboratory or returned to the licensee submitting the sample.
 - (2) Licensees must submit the results of inspection and testing for quality assurance and product standards required under RCW 69.50.342 to the ((state liquor and cannabis)) board on a form developed by the ((state liquor and cannabis)) board.
 - (3) If a representative sample inspected and tested under this section does not meet the applicable quality assurance and product

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standards established by the ((state liquor and cannabis)) board, the entire lot from which the sample was taken must be destroyed.

- (4)(a) The department of ecology may determine, assess, and 3 collect annual fees sufficient to cover the direct and indirect costs 4 implementing a state ((marijuana)) cannabis product testing 5 6 laboratory accreditation program, except for the initial program 7 development costs. The department of ecology must develop a fee schedule allocating the costs of the accreditation program among its 8 accredited ((marijuana)) cannabis product testing laboratories. The 9 department of ecology may establish a payment schedule requiring 10 periodic installments of the annual fee. The fee schedule must be 11 12 established in amounts to fully cover, but not exceed, the administrative and oversight costs. The department of ecology must 13 14 review and update its fee schedule biennially. The costs of ((marijuana)) cannabis product testing laboratory accreditation are 15 16 those incurred by the department of ecology in administering and 17 enforcing the accreditation program. The costs may include, but are 18 not limited to, the costs incurred in undertaking the following accreditation functions: 19
- 20 (i) Evaluating the protocols and procedures used by a laboratory;
- 21 (ii) Performing on-site audits;

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- 22 (iii) Evaluating participation and successful completion of 23 proficiency testing;
- 24 (iv) Determining the capability of a laboratory to produce 25 accurate and reliable test results; and
 - (v) Such other accreditation activities as the department of ecology deems appropriate.
 - (b) The state ((marijuana)) cannabis product testing laboratory accreditation program initial development costs must be fully paid from the dedicated ((marijuana)) cannabis account created in RCW 69.50.530.
- 32 (5) The department of ecology and the ((liquor and cannabis))
 33 board must act cooperatively to ensure effective implementation and
 34 administration of this section.
- 35 (6) All fees collected under this section must be deposited in 36 the dedicated ((marijuana)) cannabis account created in RCW 37 69.50.530.
- 38 **Sec. 68.** RCW 69.50.351 and 2013 c 3 s 12 are each amended to 39 read as follows:

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1 Except as provided by chapter 42.52 RCW, no member of the ((state liquor control)) board and no employee of the ((state liquor 2 control)) board shall have any interest, directly or indirectly, in 3 the producing, processing, or sale of ((marijuana)) cannabis, useable 4 ((marijuana, or marijuana-infused)) cannabis, or cannabis-infused 5 6 products, or derive any profit or remuneration from the sale of ((marijuana)) cannabis, useable ((marijuana, or marijuana-infused)) 7 cannabis, or cannabis-infused products other than the salary or wages 8 payable to him or her in respect of his or her office or position, 9 10 and shall receive no gratuity from any person in connection with the 11 business.

12 **Sec. 69.** RCW 69.50.354 and 2015 c 70 s 9 are each amended to 13 read as follows:

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There may be licensed, in no greater number in each of the counties of the state than as the ((state liquor and cannabis)) board shall deem advisable, retail outlets established for the purpose of making ((marijuana)) cannabis concentrates, useable ((marijuana, and marijuana-infused)) cannabis, and cannabis-infused products available for sale to adults aged twenty-one and over. Retail sale of ((marijuana)) cannabis concentrates, useable ((marijuana, and marijuana-infused)) cannabis, and cannabis-infused products in accordance with the provisions of this chapter and the rules adopted to implement and enforce it, by a validly licensed ((marijuana)) cannabis retailer or retail outlet employee, shall not be a criminal or civil offense under Washington state law.

- 26 **Sec. 70.** RCW 69.50.357 and 2017 c 317 s 13 and 2017 c 131 s 1 27 are each reenacted and amended to read as follows:
- (1) (a) Retail outlets may not sell products or services other than ((marijuana)) cannabis concentrates, useable ((marijuana, or marijuana-infused)) cannabis, cannabis-infused products, or paraphernalia intended for the storage or use of ((marijuana)) cannabis concentrates, useable ((marijuana, or marijuana-infused)) cannabis, or cannabis-infused products.
- 34 (b)(i) Retail outlets may receive lockable boxes, intended for 35 the secure storage of ((marijuana)) cannabis products and 36 paraphernalia, and related literature as a donation from another 37 person or entity, that is not a ((marijuana)) cannabis producer, 38 processor, or retailer, for donation to their customers.

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(ii) Retail outlets may donate the lockable boxes and provide the related literature to any person eligible to purchase ((marijuana)) cannabis 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)) cannabis product or paraphernalia.

- (iii) Retail outlets may also purchase and sell lockable boxes, provided that the sales price is not less than the cost of acquisition.
- (2) Licensed ((marijuana)) cannabis 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)) cannabis 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)) cannabis endorsement, but may not purchase products for their personal medical use.
- (3) (a) Licensed ((marijuana)) cannabis 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)) cannabis retailers with a medical ((marijuana)) cannabis 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)) cannabis 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.
- (4) Except for the purposes of disposal as authorized by the ((state liquor and cannabis)) board, no licensed ((marijuana)) cannabis retailer or employee of a retail outlet may open or consume,

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- or allow to be opened or consumed, any ((marijuana)) cannabis concentrates, useable ((marijuana, or marijuana-infused)) cannabis, or cannabis-infused product on the outlet premises.
- 4 (5) The ((state liquor and cannabis)) board must fine a licensee 5 one thousand dollars for each violation of any subsection of this 6 section. Fines collected under this section must be deposited into 7 the dedicated ((marijuana)) cannabis account created under RCW 8 69.50.530.
- 9 **Sec. 71.** RCW 69.50.360 and 2015 c 207 s 6 and 2015 c 70 s 13 are 10 each reenacted and amended to read as follows:

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

- (1) Purchase and receipt of ((marijuana)) cannabis concentrates, useable ((marijuana, or marijuana-infused)) cannabis, or cannabis-infused products that have been properly packaged and labeled from a ((marijuana)) cannabis processor validly licensed under this chapter;
- (2) Possession of quantities of ((marijuana)) cannabis concentrates, useable ((marijuana, or marijuana-infused)) cannabis, or cannabis-infused products that do not exceed the maximum amounts established by the ((state liquor and cannabis)) board under RCW 69.50.345(5);
- (3) Delivery, distribution, and sale, on the premises of the retail outlet, of any combination of the following amounts of ((marijuana)) cannabis concentrates, useable ((marijuana, or marijuana-infused)) cannabis, or cannabis-infused product to any person twenty-one years of age or older:
 - (a) One ounce of useable ((marijuana)) cannabis;
- 32 (b) Sixteen ounces of ((marijuana-infused)) cannabis-infused 33 product in solid form;
- 34 (c) Seventy-two ounces of ((marijuana-infused)) cannabis-infused 35 product in liquid form; or
 - (d) Seven grams of ((marijuana)) cannabis concentrate; and
- 37 (4) Purchase and receipt of ((marijuana)) cannabis concentrates, 38 useable ((marijuana, or marijuana-infused)) cannabis, or cannabis-39 infused products that have been properly packaged and labeled from a

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- 1 federally recognized Indian tribe as permitted under an agreement
- 2 between the state and the tribe entered into under RCW 43.06.490.
- 3 **Sec. 72.** RCW 69.50.363 and 2015 c 207 s 7 are each amended to 4 read as follows:
- The following acts, when performed by a validly licensed ((marijuana)) cannabis processor or employee of a validly licensed ((marijuana)) cannabis processor in compliance with rules adopted by the ((state liquor control)) board to implement and enforce chapter 3, Laws of 2013, do not constitute criminal or civil offenses under Washington state law:
- 11 (1) Purchase and receipt of ((marijuana)) cannabis that has been 12 properly packaged and labeled from a ((marijuana)) cannabis producer 13 validly licensed under chapter 3, Laws of 2013;

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- (2) Possession, processing, packaging, and labeling of quantities of ((marijuana)) cannabis, useable ((marijuana, and marijuana-infused)) cannabis, and cannabis-infused products that do not exceed the maximum amounts established by the ((state liquor control)) board under RCW 69.50.345(4);
- 19 (3) Delivery, distribution, and sale of useable ((marijuana or 20 marijuana-infused)) cannabis or cannabis-infused products to a 21 ((marijuana)) cannabis retailer validly licensed under chapter 3, 22 Laws of 2013; and
 - (4) Delivery, distribution, and sale of useable ((marijuana, marijuana)) cannabis, cannabis concentrates, or ((marijuana-infused)) cannabis-infused products to a federally recognized Indian tribe as permitted under an agreement between the state and the tribe entered into under RCW 43.06.490.
- 28 **Sec. 73.** RCW 69.50.366 and 2017 c 317 s 6 are each amended to 29 read as follows:
- The following acts, when performed by a validly licensed ((marijuana)) cannabis producer or employee of a validly licensed ((marijuana)) cannabis producer in compliance with rules adopted by the ((state liquor and cannabis)) board to implement and enforce this chapter, do not constitute criminal or civil offenses under Washington state law:
- (1) Production or possession of quantities of ((marijuana))
 cannabis that do not exceed the maximum amounts established by the
 ((state liquor and cannabis)) board under RCW 69.50.345(3);

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(2) Delivery, distribution, and sale of ((marijuana)) cannabis to a ((marijuana)) cannabis processor or another ((marijuana)) cannabis producer validly licensed under this chapter;

- (3) Delivery, distribution, and sale of immature plants or clones and ((marijuana)) cannabis seeds to a licensed ((marijuana)) cannabis researcher, and to receive or purchase immature plants or clones and seeds from a licensed ((marijuana)) cannabis researcher; and
- (4) Delivery, distribution, and sale of ((marijuana)) cannabis or useable ((marijuana)) cannabis to a federally recognized Indian tribe as permitted under an agreement between the state and the tribe entered into under RCW 43.06.490.
- **Sec. 74.** RCW 69.50.369 and 2017 c 317 s 14 are each amended to 13 read as follows:
 - (1) No licensed ((marijuana)) cannabis producer, processor, researcher, or retailer may place or maintain, or cause to be placed or maintained, any sign or other advertisement for a ((marijuana)) cannabis business or ((marijuana)) cannabis product, including useable ((marijuana, marijuana)) cannabis, cannabis concentrates, or ((marijuana-infused)) cannabis-infused product, in any form or through any medium whatsoever within one thousand feet of the perimeter of a school grounds, playground, recreation center or facility, child care center, public park, or library, or any game arcade admission to which is not restricted to persons aged twenty-one years or older.
 - (2) Except for the use of billboards as authorized under this section, licensed ((marijuana)) cannabis retailers may not display any signage outside of the licensed premises, other than two signs identifying the retail outlet by the licensee's business or trade name, stating the location of the business, and identifying the nature of the business. Each sign must be no larger than one thousand six hundred square inches and be permanently affixed to a building or other structure. The location and content of the retail ((marijuana)) cannabis signs authorized under this subsection are subject to all other requirements and restrictions established in this section for indoor signs, outdoor signs, and other ((marijuana-related)) cannabis-related advertising methods.
 - (3) A ((marijuana)) cannabis licensee may not utilize transit advertisements for the purpose of advertising its business or product line. "Transit advertisements" means advertising on or within private

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- or public vehicles and all advertisements placed at, on, or within any bus stop, taxi stand, transportation waiting area, train station, airport, or any similar transit-related location.
 - (4) A ((marijuana)) <u>cannabis</u> licensee may not engage in advertising or other marketing practice that specifically targets persons residing outside of the state of Washington.
 - (5) All signs, billboards, or other print advertising for ((marijuana)) cannabis businesses or ((marijuana)) cannabis products must contain text stating that ((marijuana)) cannabis products may be purchased or possessed only by persons twenty-one years of age or older.
 - (6) A ((marijuana)) cannabis licensee may not:

- (a) Take any action, directly or indirectly, to target youth in the advertising, promotion, or marketing of ((marijuana and marijuana)) cannabis and cannabis products, or take any action the primary purpose of which is to initiate, maintain, or increase the incidence of youth use of ((marijuana or marijuana)) cannabis or cannabis products;
- (b) Use objects such as toys or inflatables, movie or cartoon characters, or any other depiction or image likely to be appealing to youth, where such objects, images, or depictions indicate an intent to cause youth to become interested in the purchase or consumption of ((marijuana)) cannabis products; or
- (c) Use or employ a commercial mascot outside of, and in proximity to, a licensed ((marijuana)) cannabis business. A "commercial mascot" means live human being, animal, or mechanical device used for attracting the attention of motorists and passersby so as to make them aware of ((marijuana)) cannabis products or the presence of a ((marijuana)) cannabis business. Commercial mascots include, but are not limited to, inflatable tube displays, persons in costume, or wearing, holding, or spinning a sign with a ((marijuana-related)) cannabis-related commercial message or image, where the intent is to draw attention to a ((marijuana)) cannabis business or its products.
- (7) A ((marijuana)) cannabis licensee that engages in outdoor advertising is subject to the advertising requirements and restrictions set forth in this subsection (7) and elsewhere in this chapter.
- 39 (a) All outdoor advertising signs, including billboards, are 40 limited to text that identifies the retail outlet by the licensee's

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- 1 business or trade name, states the location of the business, and identifies the type or nature of the business. Such signs may not 2 3 any depictions of ((marijuana)) cannabis ((marijuana)) cannabis products, or images that might be appealing to 4 children. The ((state liquor and cannabis)) board is granted rule-5 6 making authority to regulate the text and images that are permissible on outdoor advertising. Such rule making must be consistent with 7 other administrative rules generally applicable to the advertising of 8 ((marijuana)) cannabis businesses and products. 9
 - (b) Outdoor advertising is prohibited:

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- (i) On signs and placards in arenas, stadiums, shopping malls, fairs that receive state allocations, farmers markets, and video game arcades, whether any of the foregoing are open air or enclosed, but not including any such sign or placard located in an adult only facility; and
- (ii) Billboards that are visible from any street, road, highway, right-of-way, or public parking area are prohibited, except as provided in (c) of this subsection.
- (c) Licensed retail outlets may use a billboard or outdoor sign solely for the purpose of identifying the name of the business, the nature of the business, and providing the public with directional information to the licensed retail outlet. Billboard advertising is subject to the same requirements and restrictions as set forth in (a) of this subsection.
- (d) Advertising signs within the premises of a retail ((marijuana)) cannabis business outlet that are visible to the public from outside the premises must meet the signage regulations and requirements applicable to outdoor signs as set forth in this section.
- 30 (e) The restrictions and regulations applicable to outdoor 31 advertising under this section are not applicable to:
 - (i) An advertisement inside a licensed retail establishment that sells ((marijuana)) cannabis products that is not placed on the inside surface of a window facing outward; or
- 35 (ii) An outdoor advertisement at the site of an event to be held 36 at an adult only facility that is placed at such site during the 37 period the facility or enclosed area constitutes an adult only 38 facility, but in no event more than fourteen days before the event, 39 and that does not advertise any ((marijuana)) cannabis product other 40 than by using a brand name to identify the event.

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- 1 (8) Merchandising within a retail outlet is not advertising for 2 the purposes of this section.
 - (9) This section does not apply to a noncommercial message.
 - (10) (a) The ((state liquor and cannabis)) board must:

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- (i) Adopt rules implementing this section and specifically including provisions regulating the billboards and outdoor signs authorized under this section; and
 - (ii) Fine a licensee one thousand dollars for each violation of this section until the ((state liquor and cannabis)) board adopts rules prescribing penalties for violations of this section. The rules must establish escalating penalties including fines and up to suspension or revocation of a ((marijuana)) cannabis license for subsequent violations.
- (b) Fines collected under this subsection must be deposited into the dedicated ((marijuana)) cannabis account created under RCW 69.50.530.
- 17 (11) A city, town, or county may adopt rules of outdoor 18 advertising by licensed ((marijuana)) cannabis retailers that are 19 more restrictive than the advertising restrictions imposed under this 20 chapter. Enforcement of restrictions to advertising by a city, town, 21 or county is the responsibility of the city, town, or county.
- 22 **Sec. 75.** RCW 69.50.372 and 2017 c 317 s 3 and 2017 c 316 s 3 are 23 each reenacted and amended to read as follows:
 - (1) A ((marijuana)) <u>cannabis</u> research license is established that permits a licensee to produce, process, and possess ((marijuana)) <u>cannabis</u> for the following limited research purposes:
 - (a) To test chemical potency and composition levels;
- 28 (b) To conduct clinical investigations of ((marijuana-derived))
 29 <u>cannabis-derived</u> drug products;
- 30 (c) To conduct research on the efficacy and safety of 31 administering ((marijuana)) cannabis as part of medical treatment; 32 and
 - (d) To conduct genomic or agricultural research.
 - (2) As part of the application process for a ((marijuana)) cannabis research license, an applicant must submit to the ((liquor and cannabis)) board's designated scientific reviewer a description of the research that is intended to be conducted. The ((liquor and cannabis)) board must select a scientific reviewer to review an applicant's research project and determine that it meets the

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requirements of subsection (1) of this section, as well as assess the following:

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

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- (b) Whether applicants have the appropriate personnel, expertise, facilities/infrastructure, funding, and human/animal/other federal approvals in place to successfully conduct the project; and
- (c) Whether the amount of ((marijuana)) cannabis to be grown by the applicant is consistent with the project's scope and goals.

9 If the scientific reviewer determines that the research project 10 does not meet the requirements of subsection (1) of this section, the 11 application must be denied.

- (3) A ((marijuana)) <u>cannabis</u> research licensee may only sell ((marijuana)) <u>cannabis</u> grown or within its operation to other ((marijuana)) <u>cannabis</u> research licensees. The ((liquor and cannabis)) board may revoke a ((marijuana)) <u>cannabis</u> research license for violations of this subsection.
- (4) A ((marijuana)) cannabis research licensee may contract with the University of Washington or Washington State University to perform research in conjunction with the university. All research projects, not including those projects conducted pursuant to a contract entered into under RCW 28B.20.502(3), must be approved by the scientific reviewer and meet the requirements of subsection (1) of this section.
- (5) In establishing a ((marijuana)) cannabis research license, the ((liquor and cannabis)) board may adopt rules on the following:
 - (a) Application requirements;
- (b) ((Marijuana)) Cannabis research license renewal requirements, including whether additional research projects may be added or considered;
 - (c) Conditions for license revocation;
- 31 (d) Security measures to ensure ((marijuana)) cannabis is not 32 diverted to purposes other than research;
 - (e) Amount of plants, useable ((marijuana, marijuana)) cannabis, cannabis concentrates, or ((marijuana-infused)) cannabis-infused products a licensee may have on its premises;
 - (f) Licensee reporting requirements;
- (g) Conditions under which ((marijuana)) cannabis grown by licensed ((marijuana)) cannabis producers and other product types from licensed ((marijuana)) cannabis processors may be donated to ((marijuana)) cannabis research licensees; and

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1 (h) Additional requirements deemed necessary by the ((liquor and 2 cannabis)) board.

- (6) The production, processing, possession, delivery, donation, and sale of ((marijuana)) cannabis, including immature plants or clones and seeds, in accordance with this section, RCW 69.50.366(3), and the rules adopted to implement and enforce this section and RCW 69.50.366(3), by a validly licensed ((marijuana)) cannabis researcher, shall not be a criminal or civil offense under Washington state law. Every ((marijuana)) cannabis research license must be issued in the name of the applicant, must specify the location at which the ((marijuana)) cannabis researcher intends to operate, which must be within the state of Washington, and the holder thereof may not allow any other person to use the license.
 - (7) The application fee for a ((marijuana)) cannabis research license is two hundred fifty dollars. The annual fee for issuance and renewal of a ((marijuana)) cannabis research license is one thousand three hundred dollars. The applicant must pay the cost of the review process directly to the scientific reviewer as designated by the ((liquor and cannabis)) board.
 - (8) The scientific reviewer shall review any reports made by ((marijuana)) cannabis research licensees under ((liquor and cannabis)) board rule and provide the ((liquor and cannabis)) board with its determination on whether the research project continues to meet research qualifications under this section.
 - (9) For the purposes of this section, "scientific reviewer" means an organization that convenes or contracts with persons who have the training and experience in research practice and research methodology to determine whether a project meets the criteria for a ((marijuana)) cannabis research license under this section and to review any reports submitted by ((marijuana)) cannabis research licensees under ((liquor and cannabis)) board rule. "Scientific reviewers" include, but are not limited to, educational institutions, research institutions, peer review bodies, or such other organizations that are focused on science or research in its day-to-day activities.
- **Sec. 76.** RCW 69.50.375 and 2015 c 70 s 10 are each amended to 36 read as follows:
- 37 (1) A medical ((marijuana)) cannabis endorsement to a
 38 ((marijuana)) cannabis retail license is hereby established to permit
 39 a ((marijuana)) cannabis retailer to sell ((marijuana)) cannabis for

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medical use to qualifying patients and designated providers. This endorsement also permits such retailers to provide ((marijuana)) cannabis at no charge, at their discretion, to qualifying patients and designated providers.

- (2) An applicant may apply for a medical ((marijuana)) cannabis endorsement concurrently with an application for a ((marijuana)) cannabis retail license.
- 8 (3) To be issued an endorsement, a ((marijuana)) cannabis 9 retailer must:
 - (a) Not authorize the medical use of ((marijuana)) cannabis for qualifying patients at the retail outlet or permit health care professionals to authorize the medical use of ((marijuana)) cannabis for qualifying patients at the retail outlet;
 - (b) Carry ((marijuana)) <u>cannabis</u> concentrates and ((marijuana-infused)) <u>cannabis-infused</u> products identified by the department under subsection (4) of this section;
 - (c) Not use labels or market ((marijuana)) cannabis concentrates, useable ((marijuana, or marijuana-infused)) cannabis, or cannabis-infused products in a way that make them intentionally attractive to minors;
 - (d) Demonstrate the ability to enter qualifying patients and designated providers in the medical ((marijuana)) cannabis authorization database established in RCW 69.51A.230 and issue recognition cards and agree to enter qualifying patients and designated providers into the database and issue recognition cards in compliance with department standards;
 - (e) Keep copies of the qualifying patient's or designated provider's recognition card, or keep equivalent records as required by rule of the ((state liquor and cannabis)) board or the department of revenue to document the validity of tax exempt sales; and
 - (f) Meet other requirements as adopted by rule of the department or the ((state liquor and cannabis)) board.
 - (4) The department, in conjunction with the ((state liquor and cannabis)) board, must adopt rules on requirements for ((marijuana)) cannabis concentrates, useable ((marijuana, and marijuana-infused)) cannabis, and cannabis-infused products that may be sold, or provided at no charge, to qualifying patients or designated providers at a retail outlet holding a medical ((marijuana)) cannabis endorsement. These rules must include:

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- 1 (a) THC concentration, CBD concentration, or low THC, high CBD ratios appropriate for ((marijuana)) cannabis concentrates, useable ((marijuana, or marijuana-infused)) cannabis, or cannabis-infused products sold to qualifying patients or designated providers;
 - (b) Labeling requirements including that the labels attached to ((marijuana)) cannabis concentrates, useable ((marijuana, or marijuana-infused)) cannabis, or cannabis-infused products contain THC concentration, CBD concentration, and THC to CBD ratios;
- 9 (c) Other product requirements, including any additional mold, 10 fungus, or pesticide testing requirements, or limitations to the 11 types of solvents that may be used in ((marijuana)) cannabis 12 processing that the department deems necessary to address the medical 13 needs of qualifying patients;
- 14 (d) Safe handling requirements for ((marijuana)) cannabis 15 concentrates, useable ((marijuana, or marijuana-infused)) cannabis, 16 or cannabis-infused products; and
 - (e) Training requirements for employees.

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- (5) A ((marijuana)) cannabis retailer holding an endorsement to sell ((marijuana)) cannabis to qualifying patients or designated providers must train its employees on:
- (a) Procedures regarding the recognition of valid authorizations and the use of equipment to enter qualifying patients and designated providers into the medical ((marijuana)) cannabis authorization database;
 - (b) Recognition of valid recognition cards; and
- (c) Recognition of strains, varieties, THC concentration, CBD concentration, and THC to CBD ratios of ((marijuana)) cannabis concentrates, useable ((marijuana, and marijuana-infused)) cannabis, and cannabis-infused products, available for sale when assisting qualifying patients and designated providers at the retail outlet.
- 31 **Sec. 77.** RCW 69.50.378 and 2015 c 70 s 11 are each amended to 32 read as follows:
- A ((marijuana)) cannabis retailer or a ((marijuana)) cannabis
 retailer holding a medical ((marijuana)) cannabis endorsement may
 sell products with a THC concentration of 0.3 percent or less.
 ((Marijuana)) Cannabis retailers holding a medical ((marijuana))
 cannabis endorsement may also provide these products at no charge to
 qualifying patients or designated providers.

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Sec. 78. RCW 69.50.380 and 2015 2nd sp.s. c 4 s 211 are each 2 amended to read as follows:

- (1) ((Marijuana)) <u>Cannabis</u> producers, processors, and retailers are prohibited from making sales of any ((marijuana or marijuana)) <u>cannabis</u> or <u>cannabis</u> product, if the sale of the ((marijuana or marijuana)) <u>cannabis</u> or <u>cannabis</u> product is conditioned upon the buyer's purchase of any service or ((nonmarijuana)) <u>noncannabis</u> product. This subsection applies whether the buyer purchases such service or ((nonmarijuana)) <u>noncannabis</u> product at the time of sale of the ((marijuana or marijuana)) <u>cannabis</u> product at the time of sale of the ((marijuana or marijuana)) <u>cannabis</u> product, or in a separate transaction.
- 12 (2) The definitions in this subsection apply throughout this section unless the context clearly requires otherwise.
- (a) (("Marijuana)) "Cannabis product" means "useable ((marijuana," "marijuana)) cannabis," "cannabis concentrates," and (("marijuana-infused)) "cannabis-infused products," as those terms are defined in RCW 69.50.101.
 - (b) (("Nonmarijuana)) "Noncannabis product" includes paraphernalia, promotional items, lighters, bags, boxes, containers, and such other items as may be identified by the ((state liquor and cannabis)) board.
- (c) "Selling price" has the same meaning as in RCW 69.50.535.
- 23 (d) "Service" includes memberships and any other services 24 identified by the ((state liquor and cannabis)) board.
- **Sec. 79.** RCW 69.50.382 and 2017 c 317 s 7 are each amended to 26 read as follows:
 - (1) A licensed ((marijuana)) cannabis producer, ((marijuana)) cannabis processor, ((marijuana)) cannabis researcher, or ((marijuana)) cannabis retailer, or their employees, in accordance with the requirements of this chapter and the administrative rules adopted thereunder, may use the services of a common carrier subject to regulation under chapters 81.28 and 81.29 RCW and licensed in compliance with the regulations established under RCW 69.50.385, to physically transport or deliver, as authorized under this chapter, ((marijuana)) cannabis, useable ((marijuana, marijuana)) cannabis, cannabis concentrates, immature plants or clones, ((marijuana)) cannabis seeds, and ((marijuana-infused)) cannabis-infused products between licensed ((marijuana)) cannabis businesses located within the state.

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(2) An employee of a common carrier engaged in ((marijuana-related)) cannabis-related transportation or delivery services authorized under subsection (1) of this section is prohibited from carrying or using a firearm during the course of providing such services, unless:

- (a) Pursuant to RCW 69.50.385, the ((state liquor and cannabis)) board explicitly authorizes the carrying or use of firearms by such employee while engaged in the transportation or delivery services;
- (b) The employee has an armed private security guard license issued pursuant to RCW 18.170.040; and
- 11 (c) The employee is in full compliance with the regulations 12 established by the ((state liquor and cannabis)) board under RCW 13 69.50.385.
 - (3) A common carrier licensed under RCW 69.50.385 may, for the purpose of transporting and delivering ((marijuana)) cannabis, useable ((marijuana, marijuana)) cannabis, cannabis concentrates, and ((marijuana-infused)) cannabis-infused products, utilize Washington state ferry routes for such transportation and delivery.
 - (4) The possession of ((marijuana)) cannabis, useable ((marijuana, marijuana)) cannabis, cannabis concentrates, and ((marijuana-infused)) cannabis-infused products being physically transported or delivered within the state, in amounts not exceeding those that may be established under RCW 69.50.385(3), by a licensed employee of a common carrier when performing the duties authorized under, and in accordance with, this section and RCW 69.50.385, is not a violation of this section, this chapter, or any other provision of Washington state law.
- **Sec. 80.** RCW 69.50.385 and 2015 2nd sp.s. c 4 s 502 are each 29 amended to read as follows:
 - (1) The ((state liquor and cannabis)) board must adopt rules providing for an annual licensing procedure of a common carrier who seeks to transport or deliver ((marijuana)) cannabis, useable ((marijuana, marijuana)) cannabis, cannabis concentrates, and ((marijuana-infused)) cannabis-infused products within the state.
 - (2) The rules for licensing must:
- 36 (a) Establish criteria for considering the approval or denial of 37 a common carrier's original application or renewal application;

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- 1 (b) Provide minimum qualifications for any employee authorized to 2 drive or operate the transportation or delivery vehicle, including a 3 minimum age of at least twenty-one years;
- 4 (c) Address the safety of the employees transporting or 5 delivering the products, including issues relating to the carrying of 6 firearms by such employees;
 - (d) Address the security of the products being transported, including a system of electronically tracking all products at both the point of pickup and the point of delivery; and
- 10 (e) Set reasonable fees for the application and licensing 11 process.

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- 12 (3) The ((state liquor and cannabis)) board may adopt rules
 13 establishing the maximum amounts of ((marijuana)) cannabis, useable
 14 ((marijuana, marijuana)) cannabis, cannabis concentrates, and
 15 ((marijuana-infused)) cannabis-infused products that may be
 16 physically transported or delivered at one time by a common carrier
 17 as provided under RCW 69.50.382.
- 18 **Sec. 81.** RCW 69.50.390 and 2015 2nd sp.s. c 4 s 1301 are each 19 amended to read as follows:
 - (1) A retailer licensed under this chapter is prohibited from operating a vending machine, as defined in RCW 82.08.080(3) for the sale of ((marijuana)) cannabis products at retail or a drive-through purchase facility where ((marijuana)) cannabis products are sold at retail and dispensed through a window or door to a purchaser who is either in or on a motor vehicle or otherwise located outside of the licensed premises at the time of sale.
- 27 (2) The ((state liquor and cannabis)) board may not issue, 28 transfer, or renew a ((marijuana)) cannabis retail license for any 29 licensee in violation of the provisions of subsection (1) of this 30 section.
- 31 **Sec. 82.** RCW 69.50.395 and 2019 c 380 s 1 are each amended to 32 read as follows:
- 33 (1) A licensed ((marijuana)) cannabis business may enter into an agreement with any person, business, or other entity for:
- 35 (a) Any goods or services that are registered as a trademark 36 under federal law, under chapter 19.77 RCW, or under any other state 37 or international trademark law;
 - (b) Any unregistered trademark, trade name, or trade dress; or

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1 (c) Any trade secret, technology, or proprietary information used 2 to manufacture a cannabis product or used to provide a service 3 related to any ((marijuana)) cannabis business.

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- (2) Any agreements entered into by a licensed ((marijuana)) cannabis business, as authorized under this section, must be disclosed to the ((state liquor and cannabis)) board and may include:
- (a) A royalty fee or flat rate calculated based on sales of each product that includes the intellectual property or was manufactured or sold using the licensed intellectual property or service, provided that the royalty fee is no greater than an amount equivalent to ten percent of the licensed ((marijuana)) cannabis business's gross sales derived from the sale of such product;
- 13 (b) A flat rate or lump sum calculated based on time or 14 milestones;
- 15 (c) Terms giving either party exclusivity or qualified 16 exclusivity as it relates to use of the intellectual property;
- 17 (d) Quality control standards as necessary to protect the 18 integrity of the intellectual property;
 - (e) Enforcement obligations to be undertaken by the licensed ((marijuana)) cannabis business;
 - (f) Covenants to use the licensed intellectual property; and
- 22 (g) Assignment of licensor improvements of the intellectual 23 property.
 - (3) A person, business, or entity that enters into an agreement with a licensed ((marijuana)) cannabis business, where both parties to the agreement are in compliance with the terms of this section, is exempt from the requirement to qualify for a ((marijuana)) cannabis business license for purposes of the agreements authorized by subsection (1) of this section.
- 30 (4) All agreements entered into by a licensed ((marijuana))
 31 cannabis business, as authorized by this section, are subject to the
 32 ((liquor and cannabis)) board's recordkeeping requirements as
 33 established by rule.
- 34 **Sec. 83.** RCW 69.50.401 and 2019 c 379 s 2 are each amended to 35 read as follows:
- 36 (1) Except as authorized by this chapter, it is unlawful for any 37 person to manufacture, deliver, or possess with intent to manufacture 38 or deliver, a controlled substance.
 - (2) Any person who violates this section with respect to:

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(a) A controlled substance classified in Schedule I or II which is a narcotic drug or flunitrazepam, including its salts, isomers, and salts of isomers, classified in Schedule IV, is guilty of a class B felony and upon conviction may be imprisoned for not more than ten years, or (i) fined not more than twenty-five thousand dollars if the crime involved less than two kilograms of the drug, or both such imprisonment and fine; or (ii) if the crime involved two or more kilograms of the drug, then fined not more than one hundred thousand dollars for the first two kilograms and not more than fifty dollars for each gram in excess of two kilograms, or both such imprisonment and fine;

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- (b) Amphetamine, including its salts, isomers, and salts of isomers, or methamphetamine, including its salts, isomers, and salts of isomers, is guilty of a class B felony and upon conviction may be imprisoned for not more than ten years, or (i) fined not more than twenty-five thousand dollars if the crime involved less than two kilograms of the drug, or both such imprisonment and fine; or (ii) if the crime involved two or more kilograms of the drug, then fined not more than one hundred thousand dollars for the first two kilograms and not more than fifty dollars for each gram in excess of two kilograms, or both such imprisonment and fine. Three thousand dollars of the fine may not be suspended. As collected, the first three thousand dollars of the fine must be deposited with the law enforcement agency having responsibility for cleanup of laboratories, sites, or substances used in the manufacture of the methamphetamine, including its salts, isomers, and salts of isomers. The fine moneys deposited with that law enforcement agency must be used for such clean-up cost;
- (c) Any other controlled substance classified in Schedule I, II, or III, is guilty of a class C felony punishable according to chapter 9A.20 RCW, except as provided in RCW 69.50.475;
- (d) A substance classified in Schedule IV, except flunitrazepam, including its salts, isomers, and salts of isomers, is guilty of a class C felony punishable according to chapter 9A.20 RCW; or
- (e) A substance classified in Schedule V, is guilty of a class C felony punishable according to chapter 9A.20 RCW.
- (3) The production, manufacture, processing, packaging, delivery, distribution, sale, or possession of ((marijuana)) cannabis in compliance with the terms set forth in RCW 69.50.360, 69.50.363, or

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- 1 69.50.366 shall not constitute a violation of this section, this chapter, or any other provision of Washington state law.
- 3 (4) The fines in this section apply to adult offenders only.

- **Sec. 84.** RCW 69.50.4013 and 2017 c 317 s 15 are each amended to read as follows:
 - (1) It is unlawful for any person to possess a controlled substance unless the substance was obtained directly from, or pursuant to, a valid prescription or order of a practitioner while acting in the course of his or her professional practice, or except as otherwise authorized by this chapter.
- 11 (2) Except as provided in RCW 69.50.4014, any person who violates 12 this section is guilty of a class C felony punishable under chapter 13 9A.20 RCW.
 - (3) (a) The possession, by a person twenty-one years of age or older, of useable ((marijuana, marijuana)) cannabis, cannabis concentrates, or ((marijuana-infused)) cannabis-infused products in amounts that do not exceed those set forth in RCW 69.50.360(3) is not a violation of this section, this chapter, or any other provision of Washington state law.
 - (b) The possession of ((marijuana)) cannabis, useable ((marijuana, marijuana)) cannabis, cannabis concentrates, and ((marijuana-infused)) cannabis-infused products being physically transported or delivered within the state, in amounts not exceeding those that may be established under RCW 69.50.385(3), by a licensed employee of a common carrier when performing the duties authorized in accordance with RCW 69.50.382 and 69.50.385, is not a violation of this section, this chapter, or any other provision of Washington state law.
 - (4) (a) The delivery by a person twenty-one years of age or older to one or more persons twenty-one years of age or older, during a single twenty-four hour period, for noncommercial purposes and not conditioned upon or done in connection with the provision or receipt of financial consideration, of any of the following ((marijuana)) cannabis products, is not a violation of this section, this chapter, or any other provisions of Washington state law:
 - (i) One-half ounce of useable ((marijuana)) cannabis;
- 37 (ii) Eight ounces of ((marijuana-infused)) cannabis-infused 38 product in solid form;

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- 1 (iii) Thirty-six ounces of ((marijuana-infused)) cannabis-infused 2 product in liquid form; or
- 3 (iv) Three and one-half grams of ((marijuana)) cannabis 4 concentrates.
- 5 (b) The act of delivering ((marijuana or a marijuana)) cannabis 6 or a cannabis product as authorized under this subsection (4) must 7 meet one of the following requirements:
- 8 (i) The delivery must be done in a location outside of the view 9 of general public and in a nonpublic place; or
- 10 (ii) The ((marijuana or marijuana)) cannabis or cannabis product
 11 must be in the original packaging as purchased from the ((marijuana))
 12 cannabis retailer.
- 13 (5) No person under twenty-one years of age may possess,
 14 manufacture, sell, or distribute ((marijuana, marijuana-infused))
 15 cannabis, cannabis-infused products, or ((marijuana)) cannabis
 16 concentrates, regardless of THC concentration. This does not include
 17 qualifying patients with a valid authorization.
- 18 (6) The possession by a qualifying patient or designated provider
 19 of ((marijuana)) cannabis concentrates, useable ((marijuana,
 20 marijuana-infused)) cannabis, cannabis-infused products, or plants in
 21 accordance with chapter 69.51A RCW is not a violation of this
 22 section, this chapter, or any other provision of Washington state
 23 law.
- 24 **Sec. 85.** RCW 69.50.4014 and 2015 2nd sp.s. c 4 s 505 are each 25 amended to read as follows:
- Except as provided in RCW 69.50.401(2)(c) or as otherwise authorized by this chapter, any person found guilty of possession of forty grams or less of ((marijuana)) cannabis is guilty of a misdemeanor.
- 30 **Sec. 86.** RCW 69.50.408 and 2003 c 53 s 341 are each amended to 31 read as follows:
- 32 (1) Any person convicted of a second or subsequent offense under 33 this chapter may be imprisoned for a term up to twice the term 34 otherwise authorized, fined an amount up to twice that otherwise 35 authorized, or both.

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(2) For purposes of this section, an offense is considered a second or subsequent offense, if, prior to his or her conviction of the offense, the offender has at any time been convicted under this

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- 1 chapter or under any statute of the United States or of any state
- 2 relating to narcotic drugs, ((marihuana,)) cannabis, depressant,
- 3 stimulant, or hallucinogenic drugs.

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- (3) This section does not apply to offenses under RCW 69.50.4013.
- 5 **Sec. 87.** RCW 69.50.410 and 2003 c 53 s 342 are each amended to 6 read as follows:
 - (1) Except as authorized by this chapter it is a class C felony for any person to sell for profit any controlled substance or counterfeit substance classified in Schedule I, RCW 69.50.204, except leaves and flowering tops of ((marihuana)) cannabis.

11 For the purposes of this section only, the following words and 12 phrases shall have the following meanings:

- (a) "To sell" means the passing of title and possession of a controlled substance from the seller to the buyer for a price whether or not the price is paid immediately or at a future date.
- (b) "For profit" means the obtaining of anything of value in exchange for a controlled substance.
 - (c) "Price" means anything of value.
 - (2) (a) Any person convicted of a violation of subsection (1) of this section shall receive a sentence of not more than five years in a correctional facility of the department of social and health services for the first offense.
 - (b) Any person convicted on a second or subsequent cause, the sale having transpired after prosecution and conviction on the first cause, of subsection (1) of this section shall receive a mandatory sentence of five years in a correctional facility of the department of social and health services and no judge of any court shall suspend or defer the sentence imposed for the second or subsequent violation of subsection (1) of this section.
 - (3) (a) Any person convicted of a violation of subsection (1) of this section by selling heroin shall receive a mandatory sentence of two years in a correctional facility of the department of social and health services and no judge of any court shall suspend or defer the sentence imposed for such violation.
 - (b) Any person convicted on a second or subsequent sale of heroin, the sale having transpired after prosecution and conviction on the first cause of the sale of heroin shall receive a mandatory sentence of ten years in a correctional facility of the department of social and health services and no judge of any court shall suspend or

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- defer the sentence imposed for this second or subsequent violation:
 PROVIDED, That the indeterminate sentence review board under RCW
 9.95.040 shall not reduce the minimum term imposed for a violation
 under this subsection.
- 5 (4) Whether or not a mandatory minimum term has expired, an offender serving a sentence under this section may be granted an extraordinary medical placement when authorized under RCW 9.94A.728(((4+))) (1)(c).

- (5) In addition to the sentences provided in subsection (2) of this section, any person convicted of a violation of subsection (1) of this section shall be fined in an amount calculated to at least eliminate any and all proceeds or profits directly or indirectly gained by such person as a result of sales of controlled substances in violation of the laws of this or other states, or the United States, up to the amount of five hundred thousand dollars on each count.
- (6) Any person, addicted to the use of controlled substances, who voluntarily applies to the department of social and health services for the purpose of participating in a rehabilitation program approved by the department for addicts of controlled substances shall be immune from prosecution for subsection (1) offenses unless a filing of an information or indictment against such person for a violation of subsection (1) of this section is made prior to his or her voluntary participation in the program of the department of social and health services. All applications for immunity under this section shall be sent to the department of social and health services in Olympia. It shall be the duty of the department to stamp each application received pursuant to this section with the date and time of receipt.
- 30 (7) This section shall not apply to offenses defined and 31 punishable under the provisions of RCW 69.50.401 through 69.50.4015.
- **Sec. 88.** RCW 69.50.412 and 2019 c 64 s 22 are each amended to 33 read as follows:
- 34 (1) It is unlawful for any person to use drug paraphernalia to 35 plant, propagate, cultivate, grow, harvest, manufacture, compound, 36 convert, produce, process, prepare, test, analyze, pack, repack, 37 store, contain, conceal, inject, ingest, inhale, or otherwise 38 introduce into the human body a controlled substance other than

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((marijuana)) cannabis. Any person who violates this subsection is quilty of a misdemeanor.

- (2) It is unlawful for any person to deliver, possess with intent to deliver, or manufacture with intent to deliver drug paraphernalia, knowing, or under circumstances where one reasonably should know, that it will be used to plant, propagate, cultivate, grow, harvest, manufacture, compound, convert, produce, process, prepare, test, analyze, pack, repack, store, contain, conceal, inject, ingest, inhale, or otherwise introduce into the human body a controlled substance other than ((marijuana)) cannabis. Any person who violates this subsection is guilty of a misdemeanor.
- (3) Any person eighteen years of age or over who violates subsection (2) of this section by delivering drug paraphernalia to a person under eighteen years of age who is at least three years his or her junior is guilty of a gross misdemeanor.
- (4) It is unlawful for any person to place in any newspaper, magazine, handbill, or other publication any advertisement, knowing, or under circumstances where one reasonably should know, that the purpose of the advertisement, in whole or in part, is to promote the sale of objects designed or intended for use as drug paraphernalia. Any person who violates this subsection is guilty of a misdemeanor.
- 22 (5) It is lawful for any person over the age of eighteen to 23 possess sterile hypodermic syringes and needles for the purpose of 24 reducing blood-borne diseases.
 - Sec. 89. RCW 69.50.4121 and 2013 c 3 s 23 are each amended to read as follows:
 - (1) Every person who sells or gives, or permits to be sold or given to any person any drug paraphernalia in any form commits a class I civil infraction under chapter 7.80 RCW. For purposes of this subsection, "drug paraphernalia" means all equipment, products, and materials of any kind which are used, intended for use, or designed for use in planting, propagating, cultivating, growing, harvesting, manufacturing, compounding, converting, producing, processing, preparing, testing, analyzing, packaging, repackaging, storing, containing, concealing, injecting, ingesting, inhaling, or otherwise introducing into the human body a controlled substance other than ((marijuana)) cannabis. Drug paraphernalia includes, but is not limited to objects used, intended for use, or designed for use in

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- ingesting, inhaling, or otherwise introducing cocaine into the human body, such as:
- 3 (a) Metal, wooden, acrylic, glass, stone, plastic, or ceramic 4 pipes with or without screens, permanent screens, hashish heads, or 5 punctured metal bowls;
- 6 (b) Water pipes;

- (c) Carburetion tubes and devices;
- 8 (d) Smoking and carburetion masks;
- 9 (e) Miniature cocaine spoons and cocaine vials;
- 10 (f) Chamber pipes;
- 11 (g) Carburetor pipes;
- 12 (h) Electric pipes;
- 13 (i) Air-driven pipes; and
- 14 (j) Ice pipes or chillers.
- 15 (2) It shall be no defense to a prosecution for a violation of 16 this section that the person acted, or was believed by the defendant 17 to act, as agent or representative of another.
- 18 (3) Nothing in subsection (1) of this section prohibits legal 19 distribution of injection syringe equipment through public health and 20 community based HIV prevention programs, and pharmacies.
- 21 **Sec. 90.** RCW 69.50.435 and 2015 c 265 s 37 are each amended to 22 read as follows:
- (1) Any person who violates RCW 69.50.401 by manufacturing, selling, delivering, or possessing with the intent to manufacture, sell, or deliver a controlled substance listed under RCW 69.50.401 or who violates RCW 69.50.410 by selling for profit any controlled substance or counterfeit substance classified in schedule I, RCW 69.50.204, except leaves and flowering tops of ((marihuana)) cannabis to a person:
- 30 (a) In a school;
- 31 (b) On a school bus;
- 32 (c) Within one thousand feet of a school bus route stop 33 designated by the school district;
- 34 (d) Within one thousand feet of the perimeter of the school 35 grounds;
- 36 (e) In a public park;
- 37 (f) In a public housing project designated by a local governing 38 authority as a drug-free zone;
- 39 (g) On a public transit vehicle;

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(h) In a public transit stop shelter;

- (i) At a civic center designated as a drug-free zone by the local governing authority; or
- (j) Within one thousand feet of the perimeter of a facility designated under (i) of this subsection, if the local governing authority specifically designates the one thousand foot perimeter may be punished by a fine of up to twice the fine otherwise authorized by this chapter, but not including twice the fine authorized by RCW 69.50.406, or by imprisonment of up to twice the imprisonment otherwise authorized by this chapter, but not including twice the imprisonment authorized by RCW 69.50.406, or by both such fine and imprisonment. The provisions of this section shall not operate to more than double the fine or imprisonment otherwise authorized by this chapter for an offense.
- (2) It is not a defense to a prosecution for a violation of this section that the person was unaware that the prohibited conduct took place while in a school or school bus or within one thousand feet of the school or school bus route stop, in a public park, in a public housing project designated by a local governing authority as a drugfree zone, on a public transit vehicle, in a public transit stop shelter, at a civic center designated as a drugfree zone by the local governing authority, or within one thousand feet of the perimeter of a facility designated under subsection (1)(i) of this section, if the local governing authority specifically designates the one thousand foot perimeter.
- (3) It is not a defense to a prosecution for a violation of this section or any other prosecution under this chapter that persons under the age of eighteen were not present in the school, the school bus, the public park, the public housing project designated by a local governing authority as a drug-free zone, or the public transit vehicle, or at the school bus route stop, the public transit vehicle stop shelter, at a civic center designated as a drug-free zone by the local governing authority, or within one thousand feet of the perimeter of a facility designated under subsection (1)(i) of this section, if the local governing authority specifically designates the one thousand foot perimeter at the time of the offense or that school was not in session.
- (4) It is an affirmative defense to a prosecution for a violation of this section that the prohibited conduct took place entirely within a private residence, that no person under eighteen years of

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age or younger was present in such private residence at any time during the commission of the offense, and that the prohibited conduct did not involve delivering, manufacturing, selling, or possessing with the intent to manufacture, sell, or deliver any controlled substance in RCW 69.50.401 for profit. The affirmative defense established in this section shall be proved by the defendant by a preponderance of the evidence. This section shall not be construed to establish an affirmative defense with respect to a prosecution for an offense defined in any other section of this chapter.

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- (5) In a prosecution under this section, a map produced or reproduced by any municipality, school district, county, transit authority engineer, or public housing authority for the purpose of depicting the location and boundaries of the area on or within one thousand feet of any property used for a school, school bus route stop, public park, public housing project designated by a local governing authority as a drug-free zone, public transit vehicle stop shelter, or a civic center designated as a drug-free zone by a local governing authority, or a true copy of such a map, shall under proper authentication, be admissible and shall constitute prima facie evidence of the location and boundaries of those areas if the governing body of the municipality, school district, county, or transit authority has adopted a resolution or ordinance approving the map as the official location and record of the location and boundaries of the area on or within one thousand feet of the school, school bus route stop, public park, public housing project designated by a local governing authority as a drug-free zone, public transit vehicle stop shelter, or civic center designated as a drug-free zone by a local governing authority. Any map approved under this section or a true copy of the map shall be filed with the clerk of the municipality or county, and shall be maintained as an official record of the municipality or county. This section shall not be construed as precluding the prosecution from introducing or relying upon any other evidence or testimony to establish any element of the offense. This section shall not be construed as precluding the use or admissibility of any map or diagram other than the one which has been approved by the governing body of a municipality, school district, county, transit authority, or public housing authority if the map or diagram is otherwise admissible under court rule.
- 39 (6) As used in this section the following terms have the meanings 40 indicated unless the context clearly requires otherwise:

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1 (a) "School" has the meaning under RCW 28A.150.010 or 28A.150.020. The term "school" also includes a private school approved under RCW 28A.195.010;

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- (b) "School bus" means a school bus as defined by the superintendent of public instruction by rule which is owned and operated by any school district and all school buses which are privately owned and operated under contract or otherwise with any school district in the state for the transportation of students. The term does not include buses operated by common carriers in the urban transportation of students such as transportation of students through a municipal transportation system;
- 12 (c) "School bus route stop" means a school bus stop as designated 13 by a school district;
- 14 (d) "Public park" means land, including any facilities or 15 improvements on the land, that is operated as a park by the state or 16 a local government;
- (e) "Public transit vehicle" means any motor vehicle, streetcar, train, trolley vehicle, or any other device, vessel, or vehicle which is owned or operated by a transit authority and which is used for the purpose of carrying passengers on a regular schedule;
 - (f) "Transit authority" means a city, county, or state transportation system, transportation authority, public transportation benefit area, public transit authority, or metropolitan municipal corporation within the state that operates public transit vehicles;
- 26 (g) "Stop shelter" means a passenger shelter designated by a 27 transit authority;
- (h) "Civic center" means a publicly owned or publicly operated place or facility used for recreational, educational, or cultural activities;
- 31 (i) "Public housing project" means the same as "housing project" 32 as defined in RCW 35.82.020.
- 33 (7) The fines imposed by this section apply to adult offenders only.
- 35 **Sec. 91.** RCW 69.50.445 and 2015 2nd sp.s. c 4 s 401 are each amended to read as follows:
- (1) It is unlawful to open a package containing ((marijuana))

 cannabis, useable ((marijuana, marijuana-infused)) cannabis,

 cannabis-infused products, or ((marijuana)) cannabis concentrates, or

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- 1 consume ((marijuana)) cannabis, useable ((marijuana, marijuana-
- 2 <u>infused</u>)) <u>cannabis, cannabis-infused</u> products, or ((marijuana))
- 3 <u>cannabis</u> concentrates, in view of the general public or in a public 4 place.
- 5 (2) For the purposes of this section, "public place" has the same 6 meaning as defined in RCW 66.04.010, but the exclusions in RCW 7 66.04.011 do not apply.
- 8 (3) A person who violates this section is guilty of a class 3 9 civil infraction under chapter 7.80 RCW.
- 10 **Sec. 92.** RCW 69.50.450 and 2015 c 70 s 15 are each amended to 11 read as follows:
- (1) Nothing in this chapter permits anyone other than a validly 12 licensed ((marijuana)) cannabis processor to use butane or other 13 explosive gases to extract or separate resin from ((marijuana)) 14 15 cannabis or to produce or process any form of ((marijuana)) cannabis 16 concentrates or ((marijuana-infused)) cannabis-infused products that 17 include ((marijuana)) cannabis concentrates not purchased from a 18 validly licensed ((marijuana)) cannabis retailer as an ingredient. The extraction or separation of resin from ((marijuana)) cannabis, 19 20 the processing of ((marijuana)) cannabis concentrates, and the processing of ((marijuana-infused)) cannabis-infused products that 21 22 include ((marijuana)) cannabis concentrates not purchased from a validly licensed ((marijuana)) cannabis retailer as an ingredient by 23 24 any person other than a validly licensed ((marijuana)) cannabis 25 processor each constitute manufacture of ((marijuana)) cannabis in violation of RCW 69.50.401. Cooking oil, butter, and other 26 27 nonexplosive home cooking substances may be used to make ((marijuana)) cannabis extracts for noncommercial personal use. 28
- 29 (2) Except for the use of butane, the ((state liquor and 30 cannabis)) board may not enforce this section until it has adopted the rules required by RCW 69.51A.270.
- 32 **Sec. 93.** RCW 69.50.465 and 2015 2nd sp.s. c 4 s 1401 are each 33 amended to read as follows:
- (1) It is unlawful for any person to conduct or maintain a ((marijuana)) cannabis club by himself or herself or by associating with others, or in any manner aid, assist, or abet in conducting or maintaining a ((marijuana)) cannabis club.

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1 (2) It is unlawful for any person to conduct or maintain a public 2 place where ((marijuana)) cannabis is held or stored, except as 3 provided for a licensee under this chapter, or consumption of 4 ((marijuana)) cannabis is permitted.

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- (3) Any person who violates this section is guilty of a class C felony punishable under chapter 9A.20 RCW.
- (4) The following definitions apply throughout this section unless the context clearly requires otherwise.
- (a) (("Marijuana)) "Cannabis club" means a club, association, or other business, for profit or otherwise, that conducts or maintains a premises for the primary or incidental purpose of providing a location where members or other persons may keep or consume ((marijuana)) cannabis on the premises.
- 14 (b) "Public place" means, in addition to the definition provided 15 in RCW 66.04.010, any place to which admission is charged or for 16 which any pecuniary gain is realized by the owner or operator of such 17 place.
- 18 **Sec. 94.** RCW 69.50.475 and 2019 c 379 s 1 are each amended to 19 read as follows:
 - (1) Except as otherwise authorized in this chapter and as provided in subsection (2) of this section, an employee of a retail outlet who sells ((marijuana)) cannabis products to a person under the age of twenty-one years in the course of his or her employment is guilty of a gross misdemeanor.
 - (2) An employee of a retail outlet may be prosecuted under RCW 69.50.401 or 69.50.406 or any other applicable provision, if the employee sells ((marijuana)) cannabis products to a person the employee knows is under the age of twenty-one and not otherwise authorized to purchase ((marijuana)) cannabis products under this chapter, or if the employee sells or otherwise provides ((marijuana)) cannabis products to a person under the age of twenty-one outside of the course of his or her employment.
- 33 **Sec. 95.** RCW 69.50.505 and 2013 c 3 s 25 are each amended to 34 read as follows:
- 35 (1) The following are subject to seizure and forfeiture and no 36 property right exists in them:
- 37 (a) All controlled substances which have been manufactured, 38 distributed, dispensed, acquired, or possessed in violation of this

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chapter or chapter 69.41 or 69.52 RCW, and all hazardous chemicals, as defined in RCW 64.44.010, used or intended to be used in the manufacture of controlled substances;

- (b) All raw materials, products, and equipment of any kind which are used, or intended for use, in manufacturing, compounding, processing, delivering, importing, or exporting any controlled substance in violation of this chapter or chapter 69.41 or 69.52 RCW;
- (c) All property which is used, or intended for use, as a container for property described in (a) or (b) of this subsection;
- (d) All conveyances, including aircraft, vehicles, or vessels, which are used, or intended for use, in any manner to facilitate the sale, delivery, or receipt of property described in (a) or (b) of this subsection, except that:
- (i) No conveyance used by any person as a common carrier in the transaction of business as a common carrier is subject to forfeiture under this section unless it appears that the owner or other person in charge of the conveyance is a consenting party or privy to a violation of this chapter or chapter 69.41 or 69.52 RCW;
- (ii) No conveyance is subject to forfeiture under this section by reason of any act or omission established by the owner thereof to have been committed or omitted without the owner's knowledge or consent;
- (iii) No conveyance is subject to forfeiture under this section if used in the receipt of only an amount of ((marijuana)) cannabis for which possession constitutes a misdemeanor under RCW 69.50.4014;
- (iv) A forfeiture of a conveyance encumbered by a bona fide security interest is subject to the interest of the secured party if the secured party neither had knowledge of nor consented to the act or omission; and
- (v) When the owner of a conveyance has been arrested under this chapter or chapter 69.41 or 69.52 RCW the conveyance in which the person is arrested may not be subject to forfeiture unless it is seized or process is issued for its seizure within ten days of the owner's arrest;
- 35 (e) All books, records, and research products and materials, 36 including formulas, microfilm, tapes, and data which are used, or 37 intended for use, in violation of this chapter or chapter 69.41 or 38 69.52 RCW;

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(f) All drug paraphernalia((21)) other than paraphernalia possessed, sold, or used solely to facilitate ((marijuana-related)) cannabis-related activities that are not violations of this chapter;

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- (g) All moneys, negotiable instruments, securities, or other tangible or intangible property of value furnished or intended to be furnished by any person in exchange for a controlled substance in violation of this chapter or chapter 69.41 or 69.52 RCW, all tangible or intangible personal property, proceeds, or assets acquired in whole or in part with proceeds traceable to an exchange or series of exchanges in violation of this chapter or chapter 69.41 or 69.52 RCW, and all moneys, negotiable instruments, and securities used or intended to be used to facilitate any violation of this chapter or chapter 69.41 or 69.52 RCW. A forfeiture of money, negotiable instruments, securities, or other tangible or intangible property encumbered by a bona fide security interest is subject to the interest of the secured party if, at the time the security interest was created, the secured party neither had knowledge of nor consented to the act or omission. No personal property may be forfeited under this subsection (1)(g), to the extent of the interest of an owner, by reason of any act or omission which that owner establishes was committed or omitted without the owner's knowledge or consent; and
- (h) All real property, including any right, title, and interest in the whole of any lot or tract of land, and any appurtenances or improvements which are being used with the knowledge of the owner for the manufacturing, compounding, processing, delivery, importing, or exporting of any controlled substance, or which have been acquired in whole or in part with proceeds traceable to an exchange or series of exchanges in violation of this chapter or chapter 69.41 or 69.52 RCW, if such activity is not less than a class C felony and a substantial nexus exists between the commercial production or sale of the controlled substance and the real property. However:
- (i) No property may be forfeited pursuant to this subsection (1)(h), to the extent of the interest of an owner, by reason of any act or omission committed or omitted without the owner's knowledge or consent;
- 36 (ii) The bona fide gift of a controlled substance, legend drug, 37 or imitation controlled substance shall not result in the forfeiture 38 of real property;
- (iii) The possession of ((marijuana)) cannabis shall not result in the forfeiture of real property unless the ((marijuana)) cannabis

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- 1 is possessed for commercial purposes that are unlawful under Washington state law, the amount possessed is five or more plants or 2 3 one pound or more of ((marijuana)) cannabis, and a substantial nexus exists between the possession of ((marijuana)) cannabis and the real 4 property. In such a case, the intent of the offender shall be 5 6 determined by the preponderance of the evidence, including the offender's prior criminal history, the amount of ((marijuana)) 7 cannabis possessed by the offender, the sophistication of the 8 activity or equipment used by the offender, whether the offender was 9 licensed to produce, process, or sell ((marijuana)) cannabis, or was 10 an employee of a licensed producer, processor, or retailer, and other 11 12 evidence which demonstrates the offender's intent to engage in unlawful commercial activity; 13
 - (iv) The unlawful sale of ((marijuana)) cannabis or a legend drug shall not result in the forfeiture of real property unless the sale was forty grams or more in the case of ((marijuana)) cannabis or one hundred dollars or more in the case of a legend drug, and a substantial nexus exists between the unlawful sale and the real property; and

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- (v) A forfeiture of real property encumbered by a bona fide security interest is subject to the interest of the secured party if the secured party, at the time the security interest was created, neither had knowledge of nor consented to the act or omission.
- (2) Real or personal property subject to forfeiture under this chapter may be seized by any ((board)) commission inspector or law enforcement officer of this state upon process issued by any superior court having jurisdiction over the property. Seizure of real property shall include the filing of a lis pendens by the seizing agency. Real property seized under this section shall not be transferred or otherwise conveyed until ninety days after seizure or until a judgment of forfeiture is entered, whichever is later: PROVIDED, That real property seized under this section may be transferred or conveyed to any person or entity who acquires title by foreclosure or deed in lieu of foreclosure of a security interest. Seizure of personal property without process may be made if:
- 36 (a) The seizure is incident to an arrest or a search under a 37 search warrant or an inspection under an administrative inspection 38 warrant;

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(b) The property subject to seizure has been the subject of a prior judgment in favor of the state in a criminal injunction or forfeiture proceeding based upon this chapter;

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- (c) A ((board)) commission inspector or law enforcement officer has probable cause to believe that the property is directly or indirectly dangerous to health or safety; or
- (d) The ((board)) commission inspector or law enforcement officer has probable cause to believe that the property was used or is intended to be used in violation of this chapter.
- (3) In the event of seizure pursuant to subsection (2) of this section, proceedings for forfeiture shall be deemed commenced by the seizure. The law enforcement agency under whose authority the seizure was made shall cause notice to be served within fifteen days following the seizure on the owner of the property seized and the person in charge thereof and any person having any known right or interest therein, including any community property interest, of the seizure and intended forfeiture of the seized property. Service of notice of seizure of real property shall be made according to the rules of civil procedure. However, the state may not obtain a default judgment with respect to real property against a party who is served by substituted service absent an affidavit stating that a good faith effort has been made to ascertain if the defaulted party is incarcerated within the state, and that there is no present basis to believe that the party is incarcerated within the state. Notice of seizure in the case of property subject to a security interest that has been perfected by filing a financing statement in accordance with chapter 62A.9A RCW, or a certificate of title, shall be made by service upon the secured party or the secured party's assignee at the address shown on the financing statement or the certificate of title. The notice of seizure in other cases may be served by any method authorized by law or court rule including but not limited to service by certified mail with return receipt requested. Service by mail shall be deemed complete upon mailing within the fifteen day period following the seizure.
- (4) If no person notifies the seizing law enforcement agency in writing of the person's claim of ownership or right to possession of items specified in subsection (1)(d), (g), or (h) of this section within forty-five days of the service of notice from the seizing agency in the case of personal property and ninety days in the case of real property, the item seized shall be deemed forfeited. The

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community property interest in real property of a person whose spouse or domestic partner committed a violation giving rise to seizure of the real property may not be forfeited if the person did not participate in the violation.

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(5) If any person notifies the seizing law enforcement agency in writing of the person's claim of ownership or right to possession of items specified in subsection (1)(b), (c), (d), (e), (f), (q), or (h) of this section within forty-five days of the service of notice from the seizing agency in the case of personal property and ninety days in the case of real property, the person or persons shall be afforded a reasonable opportunity to be heard as to the claim or right. The notice of claim may be served by any method authorized by law or court rule including, but not limited to, service by first-class mail. Service by mail shall be deemed complete upon mailing within the forty-five day period following service of the notice of seizure in the case of personal property and within the ninety-day period following service of the notice of seizure in the case of real property. The hearing shall be before the chief law enforcement officer of the seizing agency or the chief law enforcement officer's designee, except where the seizing agency is a state agency as defined in RCW 34.12.020(4), the hearing shall be before the chief law enforcement officer of the seizing agency or an administrative law judge appointed under chapter 34.12 RCW, except that any person asserting a claim or right may remove the matter to a court of competent jurisdiction. Removal of any matter involving personal property may only be accomplished according to the rules of civil procedure. The person seeking removal of the matter must serve process against the state, county, political subdivision, or municipality that operates the seizing agency, and any other party of interest, in accordance with RCW 4.28.080 or 4.92.020, within fortyfive days after the person seeking removal has notified the seizing law enforcement agency of the person's claim of ownership or right to possession. The court to which the matter is to be removed shall be the district court when the aggregate value of personal property is within the jurisdictional limit set forth in RCW 3.66.020. A hearing before the seizing agency and any appeal therefrom shall be under Title 34 RCW. In all cases, the burden of proof is upon the law enforcement agency to establish, by a preponderance of the evidence, that the property is subject to forfeiture.

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The seizing law enforcement agency shall promptly return the article or articles to the claimant upon a determination by the administrative law judge or court that the claimant is the present lawful owner or is lawfully entitled to possession thereof of items specified in subsection (1)(b), (c), (d), (e), (f), (g), or (h) of this section.

- (6) In any proceeding to forfeit property under this title, where the claimant substantially prevails, the claimant is entitled to reasonable attorneys' fees reasonably incurred by the claimant. In addition, in a court hearing between two or more claimants to the article or articles involved, the prevailing party is entitled to a judgment for costs and reasonable attorneys' fees.
- (7) When property is forfeited under this chapter the ((board)) commission or seizing law enforcement agency may:
- (a) Retain it for official use or upon application by any law enforcement agency of this state release such property to such agency for the exclusive use of enforcing the provisions of this chapter;
- (b) Sell that which is not required to be destroyed by law and which is not harmful to the public;
- (c) Request the appropriate sheriff or director of public safety to take custody of the property and remove it for disposition in accordance with law; or
- 23 (d) Forward it to the drug enforcement administration for 24 disposition.
 - (8) (a) When property is forfeited, the seizing agency shall keep a record indicating the identity of the prior owner, if known, a description of the property, the disposition of the property, the value of the property at the time of seizure, and the amount of proceeds realized from disposition of the property.
- 30 (b) Each seizing agency shall retain records of forfeited 31 property for at least seven years.
 - (c) Each seizing agency shall file a report including a copy of the records of forfeited property with the state treasurer each calendar quarter.
 - (d) The quarterly report need not include a record of forfeited property that is still being held for use as evidence during the investigation or prosecution of a case or during the appeal from a conviction.
- 39 (9)(a) By January 31st of each year, each seizing agency shall 40 remit to the state treasurer an amount equal to ten percent of the

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net proceeds of any property forfeited during the preceding calendar year. Money remitted shall be deposited in the state general fund.

- (b) The net proceeds of forfeited property is the value of the forfeitable interest in the property after deducting the cost of satisfying any bona fide security interest to which the property is subject at the time of seizure; and in the case of sold property, after deducting the cost of sale, including reasonable fees or commissions paid to independent selling agents, and the cost of any valid landlord's claim for damages under subsection (15) of this section.
- (c) The value of sold forfeited property is the sale price. The value of retained forfeited property is the fair market value of the property at the time of seizure, determined when possible by reference to an applicable commonly used index, such as the index used by the department of licensing for valuation of motor vehicles. A seizing agency may use, but need not use, an independent qualified appraiser to determine the value of retained property. If an appraiser is used, the value of the property appraised is net of the cost of the appraisal. The value of destroyed property and retained firearms or illegal property is zero.
- (10) Forfeited property and net proceeds not required to be paid to the state treasurer shall be retained by the seizing law enforcement agency exclusively for the expansion and improvement of controlled substances related law enforcement activity. Money retained under this section may not be used to supplant preexisting funding sources.
- (11) Controlled substances listed in Schedule I, II, III, IV, and V that are possessed, transferred, sold, or offered for sale in violation of this chapter are contraband and shall be seized and summarily forfeited to the state. Controlled substances listed in Schedule I, II, III, IV, and V, which are seized or come into the possession of the ((board)) commission, the owners of which are unknown, are contraband and shall be summarily forfeited to the ((board)) commission.
- (12) Species of plants from which controlled substances in Schedules I and II may be derived which have been planted or cultivated in violation of this chapter, or of which the owners or cultivators are unknown, or which are wild growths, may be seized and summarily forfeited to the ((board)) commission.

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(13) The failure, upon demand by a ((board)) commission inspector or law enforcement officer, of the person in occupancy or in control of land or premises upon which the species of plants are growing or being stored to produce an appropriate registration or proof that he or she is the holder thereof constitutes authority for the seizure and forfeiture of the plants.

- (14) Upon the entry of an order of forfeiture of real property, the court shall forward a copy of the order to the assessor of the county in which the property is located. Orders for the forfeiture of real property shall be entered by the superior court, subject to court rules. Such an order shall be filed by the seizing agency in the county auditor's records in the county in which the real property is located.
- (15)(a) A landlord may assert a claim against proceeds from the sale of assets seized and forfeited under subsection (7)(b) of this section, only if:
- (i) A law enforcement officer, while acting in his or her official capacity, directly caused damage to the complaining landlord's property while executing a search of a tenant's residence; and
- (ii) The landlord has applied any funds remaining in the tenant's deposit, to which the landlord has a right under chapter 59.18 RCW, to cover the damage directly caused by a law enforcement officer prior to asserting a claim under the provisions of this section;
- (A) Only if the funds applied under (a)(ii) of this subsection are insufficient to satisfy the damage directly caused by a law enforcement officer, may the landlord seek compensation for the damage by filing a claim against the governmental entity under whose authority the law enforcement agency operates within thirty days after the search;
- (B) Only if the governmental entity denies or fails to respond to the landlord's claim within sixty days of the date of filing, may the landlord collect damages under this subsection by filing within thirty days of denial or the expiration of the sixty-day period, whichever occurs first, a claim with the seizing law enforcement agency. The seizing law enforcement agency must notify the landlord of the status of the claim by the end of the thirty-day period. Nothing in this section requires the claim to be paid by the end of the sixty-day or thirty-day period.

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- (b) For any claim filed under (a) (ii) of this subsection, the law enforcement agency shall pay the claim unless the agency provides substantial proof that the landlord either:
- (i) Knew or consented to actions of the tenant in violation of this chapter or chapter 69.41 or 69.52 RCW; or
- (ii) Failed to respond to a notification of the illegal activity, provided by a law enforcement agency under RCW 59.18.075, within seven days of receipt of notification of the illegal activity.
- 9 (16) The landlord's claim for damages under subsection (15) of 10 this section may not include a claim for loss of business and is 11 limited to:
 - (a) Damage to tangible property and clean-up costs;

- (b) The lesser of the cost of repair or fair market value of the damage directly caused by a law enforcement officer;
- (c) The proceeds from the sale of the specific tenant's property seized and forfeited under subsection (7)(b) of this section; and
- (d) The proceeds available after the seizing law enforcement agency satisfies any bona fide security interest in the tenant's property and costs related to sale of the tenant's property as provided by subsection (9)(b) of this section.
- (17) Subsections (15) and (16) of this section do not limit any other rights a landlord may have against a tenant to collect for damages. However, if a law enforcement agency satisfies a landlord's claim under subsection (15) of this section, the rights the landlord has against the tenant for damages directly caused by a law enforcement officer under the terms of the landlord and tenant's contract are subrogated to the law enforcement agency.
- **Sec. 96.** RCW 69.50.515 and 2013 c 133 s 1 are each amended to 29 read as follows:
 - (1) Upon finding one ounce or less of ((marijuana)) cannabis inadvertently left at a retail store holding a pharmacy license, the store manager or employee must promptly notify the local law enforcement agency. After notification to the local law enforcement agency, the store manager or employee must properly dispose of the ((marijuana)) cannabis.
- 36 (2) For the purposes of this section, "properly dispose" means 37 ensuring that the product is destroyed or rendered incapable of use 38 by another person.

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1 **Sec. 97.** RCW 69.50.530 and 2018 c 299 s 909 are each amended to 2 read as follows:

3 The dedicated ((marijuana)) cannabis account is created in the state treasury. All moneys received by the ((state liquor and 4 cannabis)) board, or any employee thereof, from ((marijuana-related)) 5 6 cannabis-related activities must be deposited in the account. Unless otherwise provided in chapter 4, Laws of 2015 2nd sp. sess., all 7 ((marijuana)) cannabis excise taxes collected from sales 8 ((marijuana)) cannabis, useable ((marijuana, marijuana)) cannabis, 9 <u>cannabis</u> concentrates, and ((marijuana-infused)) <u>cannabis-infused</u> 10 products under RCW 69.50.535, and the license fees, penalties, and 11 12 forfeitures derived under this chapter from ((marijuana)) cannabis producer, ((marijuana)) cannabis processor, ((marijuana)) cannabis 13 researcher, and ((marijuana)) cannabis retailer licenses, must be 14 deposited in the account. Moneys in the account may only be spent 15 16 after appropriation. During the 2015-2017 and 2017-2019 fiscal 17 biennia, the legislature may transfer from the dedicated 18 ((marijuana)) cannabis account to the basic health plan trust account such amounts as reflect the excess fund balance of the account. 19

20 **Sec. 98.** RCW 69.50.535 and 2015 2nd sp.s. c 4 s 205 are each 21 amended to read as follows:

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- (1) (a) There is levied and collected a ((marijuana)) cannabis excise tax equal to thirty-seven percent of the selling price on each retail sale in this state of ((marijuana)) cannabis concentrates, useable ((marijuana, and marijuana-infused)) cannabis, and cannabis-infused products. This tax is separate and in addition to general state and local sales and use taxes that apply to retail sales of tangible personal property, and is not part of the total retail price to which general state and local sales and use taxes apply. The tax must be separately itemized from the state and local retail sales tax on the sales receipt provided to the buyer.
- (b) The tax levied in this section must be reflected in the price list or quoted shelf price in the licensed ((marijuana)) cannabis retail store and in any advertising that includes prices for all useable ((marijuana, marijuana)) cannabis, cannabis concentrates, or ((marijuana-infused)) cannabis-infused products.
- 37 (2) All revenues collected from the ((marijuana)) cannabis excise 38 tax imposed under this section must be deposited each day in the 39 dedicated ((marijuana)) cannabis account.

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(3) The tax imposed in this section must be paid by the buyer to the seller. Each seller must collect from the buyer the full amount of the tax payable on each taxable sale. The tax collected as required by this section is deemed to be held in trust by the seller until paid to the board. If any seller fails to collect the tax imposed in this section or, having collected the tax, fails to pay it as prescribed by the board, whether such failure is the result of the seller's own acts or the result of acts or conditions beyond the seller's control, the seller is, nevertheless, personally liable to the state for the amount of the tax.

- (4) The definitions in this subsection apply throughout this section unless the context clearly requires otherwise.
 - (a) "Board" means the state liquor and cannabis board.
 - (b) "Retail sale" has the same meaning as in RCW 82.08.010.
- (c) "Selling price" has the same meaning as in RCW 82.08.010, except that when product is sold under circumstances where the total amount of consideration paid for the product is not indicative of its true value, "selling price" means the true value of the product sold.
- (d) "Product" means ((marijuana, marijuana)) cannabis, cannabis concentrates, useable ((marijuana, and marijuana-infused)) cannabis, and cannabis-infused products.
- (e) "True value" means market value based on sales at comparable locations in this state of the same or similar product of like quality and character sold under comparable conditions of sale to comparable purchasers. However, in the absence of such sales of the same or similar product, true value means the value of the product sold as determined by all of the seller's direct and indirect costs attributable to the product.
- (5) (a) The board must regularly review the tax level established under this section and make recommendations, in consultation with the department of revenue, to the legislature as appropriate regarding adjustments that would further the goal of discouraging use while undercutting illegal market prices.
- (b) The ((state liquor and cannabis)) board must report, in compliance with RCW 43.01.036, to the appropriate committees of the legislature every two years. The report at a minimum must include the following:
- 38 (i) The specific recommendations required under (a) of this 39 subsection;

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- 1 (ii) A comparison of gross sales and tax collections prior to and 2 after any ((marijuana)) cannabis tax change;
- 3 (iii) The increase or decrease in the volume of legal 4 ((marijuana)) cannabis sold prior to and after any ((marijuana)) 5 cannabis tax change;
- 6 (iv) Increases or decreases in the number of licensed 7 ((marijuana)) cannabis producers, processors, and retailers;
- 8 (v) The number of illegal and noncompliant ((marijuana)) cannabis 9 outlets the board requires to be closed;
- 10 (vi) Gross ((marijuana)) <u>cannabis</u> sales and tax collections in 11 Oregon; and
- (vii) The total amount of reported sales and use taxes exempted for qualifying patients. The department of revenue must provide the data of exempt amounts to the board.
- 15 (c) The board is not required to report to the legislature as 16 required in (b) of this subsection after January 1, 2025.

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- (6) The legislature does not intend and does not authorize any person or entity to engage in activities or to conspire to engage in activities that would constitute per se violations of state and federal antitrust laws including, but not limited to, agreements among retailers as to the selling price of any goods sold.
- 22 **Sec. 99.** RCW 69.50.540 and 2020 c 357 s 916 and 2020 c 236 s 4 23 are each reenacted and amended to read as follows:
 - The legislature must annually appropriate moneys in the dedicated ((marijuana)) cannabis account created in RCW 69.50.530 as follows:
 - (1) For the purposes listed in this subsection (1), the legislature must appropriate to the respective agencies amounts sufficient to make the following expenditures on a quarterly basis or as provided in this subsection:
 - (a) One hundred twenty-five thousand dollars to the health care authority to design and administer the Washington state healthy youth survey, analyze the collected data, and produce reports, in collaboration with the office of the superintendent of public instruction, department of health, department of commerce, family policy council, and board. The survey must be conducted at least every two years and include questions regarding, but not necessarily limited to, academic achievement, age at time of substance use initiation, antisocial behavior of friends, attitudes toward antisocial behavior, attitudes toward substance use, laws and

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community norms regarding antisocial behavior, family conflict, family management, parental attitudes toward substance use, peer rewarding of antisocial behavior, perceived risk of substance use, and rebelliousness. Funds disbursed under this subsection may be used to expand administration of the healthy youth survey to student populations attending institutions of higher education in Washington;

- (b) Fifty thousand dollars to the health care authority for the purpose of contracting with the Washington state institute for public policy to conduct the cost-benefit evaluation and produce the reports described in RCW 69.50.550. This appropriation ends after production of the final report required by RCW 69.50.550;
- (c) Five thousand dollars to the University of Washington alcohol and drug abuse institute for the creation, maintenance, and timely updating of web-based public education materials providing medically and scientifically accurate information about the health and safety risks posed by ((marijuana)) cannabis use;
- (d)(i) An amount not less than one million two hundred fifty thousand dollars to the board for administration of this chapter as appropriated in the omnibus appropriations act;
- (ii) One million three hundred twenty-three thousand dollars for fiscal year 2020 to the health professions account established under RCW 43.70.320 for the development and administration of the ((marijuana)) cannabis authorization database by the department of health;
- (iii) Two million four hundred fifty-three thousand dollars for fiscal year 2020 and two million seven hundred ninety-three thousand dollars for fiscal year 2021 to the Washington state patrol for a drug enforcement task force. It is the intent of the legislature that this policy will be continued in the 2021-2023 fiscal biennium; and
- (iv) Ninety-eight thousand dollars for fiscal year 2019 to the department of ecology for research on accreditation of ((marijuana)) cannabis product testing laboratories;
- (e) Four hundred sixty-five thousand dollars for fiscal year 2020 and four hundred sixty-four thousand dollars for fiscal year 2021 to the department of ecology for implementation of accreditation of ((marijuana)) cannabis product testing laboratories;
- 37 (f) One hundred eighty-nine thousand dollars for fiscal year 2020 38 to the department of health for rule making regarding compassionate 39 care renewals;

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(g) Eight hundred eight thousand dollars for fiscal year 2020 and eight hundred eight thousand dollars for fiscal year 2021 to the department of health for the administration of the ((marijuana)) cannabis authorization database;

- (h) Six hundred thirty-five thousand dollars for fiscal year 2020 and six hundred thirty-five thousand dollars for fiscal year 2021 to the department of agriculture for compliance-based laboratory analysis of pesticides in ((marijuana)) cannabis;
- (i) One million one hundred thousand dollars annually to the department of commerce to fund the ((marijuana)) cannabis social equity technical assistance competitive grant program under RCW 43.330.540; and
- (j) One million one hundred thousand dollars for fiscal year 2021 to the department of commerce to fund the ((marijuana)) cannabis social equity technical assistance competitive grant program under ((Engrossed Second Substitute House Bill No. 2870 (marijuana retail licenses))) RCW 43.330.540; and
- (2) From the amounts in the dedicated ((marijuana)) cannabis account after appropriation of the amounts identified in subsection (1) of this section, the legislature must appropriate for the purposes listed in this subsection (2) as follows:
- (a) (i) Up to fifteen percent to the health care authority for the development, implementation, maintenance, and evaluation of programs and practices aimed at the prevention or reduction of maladaptive substance use, substance use disorder, substance abuse or substance dependence, as these terms are defined in the Diagnostic and Statistical Manual of Mental Disorders, among middle school and high school-age students, whether as an explicit goal of a given program or practice or as a consistently corresponding effect of its implementation, mental health services for children and youth, and services for pregnant and parenting women; PROVIDED, That:
- (A) Of the funds appropriated under (a) (i) of this subsection for new programs and new services, at least eighty-five percent must be directed to evidence-based or research-based programs and practices that produce objectively measurable results and, by September 1, 2020, are cost-beneficial; and
- 37 (B) Up to fifteen percent of the funds appropriated under (a)(i)
 38 of this subsection for new programs and new services may be directed
 39 to proven and tested practices, emerging best practices, or promising
 40 practices.

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(ii) In deciding which programs and practices to fund, the director of the health care authority must consult, at least annually, with the University of Washington's social development 3 research group and the University of Washington's alcohol and drug 4 abuse institute.

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- (iii) For each fiscal year, the legislature must appropriate a minimum of twenty-five million five hundred thirty-six thousand dollars under this subsection (2)(a);
- (b)(i) Up to ten percent to the department of health for the 9 following, subject to (b)(ii) of this subsection (2): 10
 - (A) Creation, implementation, operation, and management of a ((marijuana)) cannabis education and public health program that contains the following:
 - (I) A ((marijuana)) cannabis use public health hotline that provides referrals to substance abuse treatment providers, utilizes evidence-based or research-based public health approaches to minimizing the harms associated with ((marijuana)) cannabis use, and does not solely advocate an abstinence-only approach;
 - (II) A grants program for local health departments or other local community agencies that supports development and implementation of coordinated intervention strategies for the prevention and reduction of ((marijuana)) cannabis use by youth; and
 - Media-based education campaigns (III) across television, internet, radio, print, and out-of-home advertising, separately targeting youth and adults, that provide medically and scientifically accurate information about the health and safety risks posed by ((marijuana)) cannabis use; and
 - (B) The Washington poison control center.
 - (ii) For each fiscal year, the legislature must appropriate a minimum of nine million seven hundred fifty thousand dollars under this subsection (2)(b);
 - (c)(i) Up to six-tenths of one percent to the University of Washington and four-tenths of one percent to Washington State University for research on the short and long-term effects of ((marijuana)) cannabis use, to include but not be limited to formal and informal methods for estimating and measuring intoxication and impairment, and for the dissemination of such research.
- (ii) For each fiscal year, except for the 2017-2019 and 2019-2021 38 39 fiscal biennia, the legislature must appropriate a minimum of one 40 million twenty-one thousand dollars to the University of Washington.

p. 163 HB 1210 For each fiscal year, except for the 2017-2019 and 2019-2021 fiscal biennia, the legislature must appropriate a minimum of six hundred eighty-one thousand dollars to Washington State University under this subsection (2)(c). It is the intent of the legislature that this policy will be continued in the 2019-2021 fiscal biennium;

- (d) Fifty percent to the state basic health plan trust account to be administered by the Washington basic health plan administrator and used as provided under chapter 70.47 RCW;
- (e) Five percent to the Washington state health care authority to be expended exclusively through contracts with community health centers to provide primary health and dental care services, migrant health services, and maternity health care services as provided under RCW 41.05.220;
- (f)(i) Up to three-tenths of one percent to the office of the superintendent of public instruction to fund grants to building bridges programs under chapter 28A.175 RCW.
- (ii) For each fiscal year, the legislature must appropriate a minimum of five hundred eleven thousand dollars to the office of the superintendent of public instruction under this subsection (2)(f); and
- (g) At the end of each fiscal year, the treasurer must transfer any amounts in the dedicated ((marijuana)) cannabis account that are not appropriated pursuant to subsection (1) of this section and this subsection (2) into the general fund, except as provided in (g)(i) of this subsection (2).
- (i) Beginning in fiscal year 2018, if ((marijuana)) cannabis excise tax collections deposited into the general fund in the prior fiscal year exceed twenty-five million dollars, then each fiscal year the legislature must appropriate an amount equal to thirty percent of all ((marijuana)) cannabis excise taxes deposited into the general fund the prior fiscal year to the treasurer for distribution to counties, cities, and towns as follows:
- (A) Thirty percent must be distributed to counties, cities, and towns where licensed ((marijuana)) cannabis retailers are physically located. Each jurisdiction must receive a share of the revenue distribution under this subsection (2)(g)(i)(A) based on the proportional share of the total revenues generated in the individual jurisdiction from the taxes collected under RCW 69.50.535, from licensed ((marijuana)) cannabis retailers physically located in each jurisdiction. For purposes of this subsection (2)(g)(i)(A), one

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hundred percent of the proportional amount attributed to a retailer physically located in a city or town must be distributed to the city or town.

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- (B) Seventy percent must be distributed to counties, cities, and towns ratably on a per capita basis. Counties must receive sixty percent of the distribution, which must be disbursed based on each county's total proportional population. Funds may only be distributed to jurisdictions that do not prohibit the siting of any state licensed ((marijuana)) cannabis producer, processor, or retailer.
- 10 (ii) Distribution amounts allocated to each county, city, and 11 town must be distributed in four installments by the last day of each 12 fiscal quarter.
- (iii) By September 15th of each year, the board must provide the state treasurer the annual distribution amount, if any, for each county and city as determined in (g)(i) of this subsection (2).
- (iv) The total share of ((marijuana)) cannabis excise tax revenues distributed to counties and cities in (g)(i) of this subsection (2) may not exceed fifteen million dollars in fiscal years 2018, 2019, 2020, and 2021, and twenty million dollars per fiscal year thereafter. It is the intent of the legislature that the policy for the maximum distributions in the subsequent fiscal biennia will be no more than fifteen million dollars per fiscal year.
- 23 **Sec. 100.** RCW 69.50.550 and 2013 c 3 s 30 are each amended to 24 read as follows:
- 25 (1) The Washington state institute for public policy shall conduct cost-benefit evaluations of the implementation of chapter 3, Laws of 2013. A preliminary report, and recommendations to appropriate committees of the legislature, shall be made by September 1, 2015, and the first final report with recommendations by September 1, 2017. Subsequent reports shall be due September 1, 2022, and September 1, 2032.
- 32 (2) The evaluation of the implementation of chapter 3, Laws of 33 2013 shall include, but not necessarily be limited to, consideration 34 of the following factors:
 - (a) Public health, to include but not be limited to:
 - (i) Health costs associated with ((marijuana)) cannabis use;
- 37 (ii) Health costs associated with criminal prohibition of ((marijuana)) cannabis, including lack of product safety or quality

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1 control regulations and the relegation of ((marijuana)) cannabis to 2 the same illegal market as potentially more dangerous substances; and (iii) The impact of increased investment in the 3 evaluation, education, prevention and intervention programs, 4 practices, and campaigns identified in RCW 69.50.363 on rates of 5 6 ((marijuana-related)) cannabis-related maladaptive substance use and 7 diagnosis of ((marijuana-related)) cannabis-related substance use disorder, substance abuse, or substance dependence, as these terms 8 are defined in the Diagnostic and Statistical Manual of Mental 9 Disorders; 10

- (b) Public safety, to include but not be limited to:
- 12 (i) Public safety issues relating to ((marijuana)) cannabis use; 13 and
- 14 (ii) Public safety issues relating to criminal prohibition of 15 ((marijuana)) cannabis;
 - (c) Youth and adult rates of the following:
 - (i) ((Marijuana)) <u>Cannabis</u> use;
 - (ii) Maladaptive use of ((marijuana)) cannabis; and
- 19 (iii) Diagnosis of ((marijuana-related)) <u>cannabis-related</u>
 20 substance use disorder, substance abuse, or substance dependence,
 21 including primary, secondary, and tertiary choices of substance;
- 22 (d) Economic impacts in the private and public sectors, including 23 but not limited to:
 - (i) Jobs creation;
 - (ii) Workplace safety;
- 26 (iii) Revenues; and

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- 27 (iv) Taxes generated for state and local budgets;
- 28 (e) Criminal justice impacts, to include but not be limited to:
- (i) Use of public resources like law enforcement officers and equipment, prosecuting attorneys and public defenders, judges and court staff, the Washington state patrol crime lab and identification and criminal history section, jails and prisons, and misdemeanant and felon supervision officers to enforce state criminal laws regarding ((marijuana)) cannabis; and
- 35 (ii) Short and long-term consequences of involvement in the 36 criminal justice system for persons accused of crimes relating to 37 ((marijuana)) cannabis, their families, and their communities; and
 - (f) State and local agency administrative costs and revenues.

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Sec. 101. RCW 69.50.555 and 2015 c 207 s 3 are each amended to read as follows:

The taxes, fees, assessments, and other charges imposed by this chapter do not apply to commercial activities related to the production, processing, sale, and possession of ((marijuana)) cannabis, useable ((marijuana, marijuana)) cannabis, cannabis concentrates, and ((marijuana-infused)) cannabis-infused products covered by an agreement entered into under RCW 43.06.490.

- **Sec. 102.** RCW 69.50.560 and 2015 c 70 s 33 are each amended to 10 read as follows:
- 11 (1) The ((state liquor and cannabis)) board may conduct 12 controlled purchase programs to determine whether:
 - (a) A ((marijuana)) <u>cannabis</u> retailer is unlawfully selling ((marijuana)) <u>cannabis</u> to persons under the age of twenty-one;
 - (b) A ((marijuana)) cannabis retailer holding a medical ((marijuana)) cannabis endorsement is selling to persons under the age of eighteen or selling to persons between the ages of eighteen and twenty-one who do not hold valid recognition cards; or
 - (c) ((Until July 1, 2016, collective gardens under RCW 69.51A.085 are providing marijuana to persons under the age of twenty-one; or
 - (d))) A cooperative organized under RCW 69.51A.250 is permitting a person under the age of twenty-one to participate.
 - (2) Every person under the age of twenty-one years who purchases or attempts to purchase ((marijuana)) cannabis is guilty of a violation of this section. This section does not apply to:
 - (a) Persons between the ages of eighteen and twenty-one who hold valid recognition cards and purchase ((marijuana)) cannabis at a ((marijuana)) cannabis retail outlet holding a medical ((marijuana)) cannabis endorsement;
 - (b) Persons between the ages of eighteen and twenty-one years who are participating in a controlled purchase program authorized by the ((state liquor and cannabis)) board under rules adopted by the board. Violations occurring under a private, controlled purchase program authorized by the ((state liquor and cannabis)) board may not be used for criminal or administrative prosecution.
 - (3) A ((marijuana)) cannabis retailer who conducts an in-house controlled purchase program authorized under this section shall provide his or her employees a written description of the employer's in-house controlled purchase program. The written description must

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include notice of actions an employer may take as a consequence of an employee's failure to comply with company policies regarding the sale of ((marijuana)) cannabis during an in-house controlled purchase program.

- (4) An in-house controlled purchase program authorized under this section shall be for the purposes of employee training and employer self-compliance checks. A ((marijuana)) cannabis retailer may not terminate an employee solely for a first-time failure to comply with company policies regarding the sale of ((marijuana)) cannabis during an in-house controlled purchase program authorized under this section.
- 12 (5) Every person between the ages of eighteen and twenty-one who 13 is convicted of a violation of this section is guilty of a 14 misdemeanor punishable as provided by RCW 9A.20.021.
- **Sec. 103.** RCW 69.50.562 and 2019 c 394 s 6 are each amended to 16 read as follows:
 - (1) The board must prescribe procedures for the following:
 - (a) Issuance of written warnings or notices to correct in lieu of penalties, sanctions, or other violations with respect to regulatory violations that have no direct or immediate relationship to public safety as defined by the board;
 - (b) Waiving any fines, civil penalties, or administrative sanctions for violations, that have no direct or immediate relationship to public safety, and are corrected by the licensee within a reasonable amount of time as designated by the board; and
 - (c) A compliance program in accordance with chapter 43.05 RCW and RCW 69.50.342, whereby licensees may request compliance assistance and inspections without issuance of a penalty, sanction, or other violation provided that any noncompliant issues are resolved within a specified period of time.
- 31 (2) The board must adopt rules prescribing penalties for violations of this chapter. The board:
 - (a) May establish escalating penalties for violation of this chapter, provided that the cumulative effect of any such escalating penalties cannot last beyond two years and the escalation applies only to multiple violations that are the same or similar in nature;
 - (b) May not include cancellation of a license for a single violation, unless the board can prove by a preponderance of the evidence:

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1 (i) Diversion of ((marijuana)) cannabis product to the illicit 2 market or sales across state lines;

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- (ii) Furnishing of ((marijuana)) cannabis product to minors;
- (iii) Diversion of revenue to criminal enterprises, gangs, cartels, or parties not qualified to hold a ((marijuana)) cannabis license based on criminal history requirements;
- (iv) The commission of ((nonmarijuana-related)) noncannabis-related crimes; or
- (v) Knowingly making a misrepresentation of fact to the board, an officer of the board, or an employee of the board related to conduct or an action that is, or alleged to be, any of the violations identified in (b)(i) through $((\frac{1}{2}))$ (iv) of this subsection (2);
- (c) May include cancellation of a license for cumulative violations only if a ((marijuana)) cannabis licensee commits at least four violations within a two-year period of time;
- (d) Must consider aggravating and mitigating circumstances and deviate from the prescribed penalties accordingly, and must authorize enforcement officers to do the same, provided that such penalty may not exceed the maximum escalating penalty prescribed by the board for that violation; and
- 21 (e) Must give substantial consideration to mitigating any penalty 22 imposed on a licensee when there is employee misconduct that led to 23 the violation and the licensee:
- 24 (i) Established a compliance program designed to prevent the violation;
- 26 (ii) Performed meaningful training with employees designed to 27 prevent the violation; and
- 28 (iii) Had not enabled or ignored the violation or other similar 29 violations in the past.
 - (3) The board may not consider any violation that occurred more than two years prior as grounds for denial, suspension, revocation, cancellation, or nonrenewal, unless the board can prove by a preponderance of the evidence that the prior administrative violation evidences:
- 35 (a) Diversion of ((marijuana)) cannabis product to the illicit 36 market or sales across state lines;
 - (b) Furnishing of ((marijuana)) cannabis product to minors;
- 38 (c) Diversion of revenue to criminal enterprises, gangs, cartels, 39 or parties not qualified to hold a ((marijuana)) cannabis license 40 based on criminal history requirements;

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1 (d) The commission of ((nonmarijuana-related)) noncannabis-2 related crimes; or

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- (e) Knowingly making a misrepresentation of fact to the board, an officer of the board, or an employee of the board related to conduct or an action that is, or is alleged to be, any of the violations identified in (a) through (d) of this subsection (3).
- 7 **Sec. 104.** RCW 69.50.563 and 2019 c 394 s 3 are each amended to 8 read as follows:
- 9 (1) The ((liquor and cannabis)) board may issue a civil penalty 10 without first issuing a notice of correction if:
 - (a) The licensee has previously been subject to an enforcement action for the same or similar type of violation of the same statute or rule or has been given previous notice of the same or similar type of violation of the same statute or rule;
- 15 (b) Compliance is not achieved by the date established by the 16 ((liquor and cannabis)) board in a previously issued notice of 17 correction and if the board has responded to a request for review of 18 the date by reaffirming the original date or establishing a new date; 19 or
 - (c) The board can prove by a preponderance of the evidence:
- 21 (i) Diversion of ((marijuana)) cannabis product to the illicit 22 market or sales across state lines;
 - (ii) Furnishing of ((marijuana)) cannabis product to minors;
 - (iii) Diversion of revenue to criminal enterprises, gangs, cartels, or parties not qualified to hold a ((marijuana)) cannabis license based on criminal history requirements;
- 27 (iv) The commission of ((nonmarijuana-related)) noncannabis-28 related crimes; or
- (v) Knowingly making a misrepresentation of fact to the board, an officer of the board, or an employee of the board related to conduct or an action that is, or is alleged to be, any of the violations identified in (c)(i) through (((e)))(iv) of this subsection (1).
- 33 (2) The ((liquor and cannabis)) board may adopt rules to 34 implement this section and RCW 43.05.160.
- 35 **Sec. 105.** RCW 69.50.564 and 2019 c 394 s 8 are each amended to read as follows:
- 37 (1) This section applies to the board's issuance of 38 administrative violations to licensed ((marijuana)) cannabis

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- producers, processors, retailers, transporters, and researchers, when a settlement conference is held between a hearing officer or designee of the board and the ((marijuana)) cannabis licensee that received a notice of an alleged administrative violation or violations.
 - (2) If a settlement agreement is entered between a ((marijuana)) cannabis licensee and a hearing officer or designee of the board at or after a settlement conference, the terms of the settlement agreement must be given substantial weight by the board.
 - (3) For the purposes of this section:

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- (a) "Settlement agreement" means the agreement or compromise between a licensed ((marijuana)) cannabis producer, processor, retailer, researcher, transporter, or researcher and the hearing officer or designee of the board with authority to participate in the settlement conference, that:
- (i) Includes the terms of the agreement or compromise regarding an alleged violation or violations by the licensee of this chapter, chapter 69.51A RCW, or rules adopted under either chapter, and any related penalty or licensing restriction; and
- 19 (ii) Is in writing and signed by the licensee and the hearing 20 officer or designee of the board.
 - (b) "Settlement conference" means a meeting or discussion between a licensed ((marijuana)) cannabis producer, processor, retailer, researcher, transporter, researcher, or authorized representative of any of the preceding licensees, and a hearing officer or designee of the board, held for purposes such as discussing the circumstances surrounding an alleged violation of law or rules by the licensee, the recommended penalty, and any aggravating or mitigating factors, and that is intended to resolve the alleged violation before an administrative hearing or judicial proceeding is initiated.
- 30 **Sec. 106.** RCW 69.50.570 and 2015 2nd sp.s. c 4 s 210 are each 31 amended to read as follows:
 - (1) (a) Except as provided in (b) of this subsection, a retail sale of a bundled transaction that includes ((marijuana)) cannabis product is subject to the tax imposed under RCW 69.50.535 on the entire selling price of the bundled transaction.
 - (b) If the selling price is attributable to products that are taxable and products that are not taxable under RCW 69.50.535, the portion of the price attributable to the nontaxable products are subject to the tax imposed by RCW 69.50.535 unless the seller can

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- identify by reasonable and verifiable standards the portion that is not subject to tax from its books and records that are kept in the regular course of business for other purposes including, but not limited to, nontax purposes.
 - (2) The definitions in this subsection apply throughout this section unless the context clearly requires otherwise.
 - (a) "Bundled transaction" means:

- (i) The retail sale of two or more products where the products are otherwise distinct and identifiable, are sold for one nonitemized price, and at least one product is a ((marijuana)) cannabis product subject to the tax under RCW 69.50.535; and
- (ii) A ((marijuana)) cannabis product provided free of charge with the required purchase of another product. A ((marijuana)) cannabis product is provided free of charge if the sales price of the product purchased does not vary depending on the inclusion of the ((marijuana)) cannabis product provided free of charge.
- (b) "Distinct and identifiable products" does not include packaging such as containers, boxes, sacks, bags, and bottles, or materials such as wrapping, labels, tags, and instruction guides, that accompany the retail sale of the products and are incidental or immaterial to the retail sale thereof. Examples of packaging that are incidental or immaterial include grocery sacks, shoeboxes, and dry cleaning garment bags.
- (c) (("Marijuana)) "Cannabis product" means "useable ((marijuana," "marijuana)) cannabis," "cannabis concentrates," and (("marijuana-infused)) "cannabis-infused products" as defined in RCW 69.50.101.
 - (d) "Selling price" has the same meaning as in RCW 82.08.010, except that when product is sold under circumstances where the total amount of consideration paid for the product is not indicative of its true value, "selling price" means the true value of the product sold.
 - (e) "True value" means market value based on sales at comparable locations in this state of the same or similar product of like quality and character sold under comparable conditions of sale to comparable purchasers. However, in the absence of such sales of the same or similar product, "true value" means the value of the product sold as determined by all of the seller's direct and indirect costs attributable to the product.

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- **Sec. 107.** RCW 69.50.575 and 2015 2nd sp.s. c 4 s 701 are each 2 amended to read as follows:
 - (1) Cannabis health and beauty aids are not subject to the regulations and penalties of this chapter that apply to ((marijuana, marijuana)) cannabis, cannabis concentrates, or ((marijuana-infused)) cannabis-infused products.
 - (2) For purposes of this section, "cannabis health and beauty aid" means a product containing parts of the cannabis plant and which:
- 10 (a) Is intended for use only as a topical application to provide 11 therapeutic benefit or to enhance appearance;
 - (b) Contains a THC concentration of not more than 0.3 percent;
- 13 (c) Does not cross the blood-brain barrier; and

- 14 (d) Is not intended for ingestion by humans or animals.
- **Sec. 108.** RCW 69.50.580 and 2015 2nd sp.s. c 4 s 801 are each 16 amended to read as follows:
 - ((marijuana)) cannabis processor's, ((marijuana)) cannabis producer's, ((marijuana)) cannabis processor's, ((marijuana)) cannabis researcher's or ((marijuana)) cannabis retailer's license under this chapter must display a sign provided by the ((state liquor and cannabis)) board on the outside of the premises to be licensed notifying the public that the premises are subject to an application for such license. The sign must:
 - (a) Contain text with content sufficient to notify the public of the nature of the pending license application, the date of the application, the name of the applicant, and contact information for the ((state liquor and cannabis)) board;
 - (b) Be conspicuously displayed on, or immediately adjacent to, the premises subject to the application and in the location that is most likely to be seen by the public;
 - (c) Be of a size sufficient to ensure that it will be readily seen by the public; and
- 33 (d) Be posted within seven business days of the submission of the 34 application to the ((state liquor and cannabis)) board.
 - (2) The ((state liquor and cannabis)) board must adopt such rules as are necessary for the implementation of this section, including rules pertaining to the size of the sign and the text thereon, the textual content of the sign, the fee for providing the sign, and any

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other requirements necessary to ensure that the sign provides 1 adequate notice to the public.

- (3) (a) A city, town, or county may adopt an ordinance requiring 3 individual notice by an applicant for a ((marijuana)) cannabis 4 producer's, ((marijuana)) cannabis processor's, ((marijuana)) 5 6 cannabis researcher's, or ((marijuana)) cannabis retailer's license under this chapter, sixty days prior to issuance of the license, to 7 any elementary or secondary school, playground, recreation center or 8 facility, child care center, church, public park, public transit 9 center, library, or any game arcade admission to which is not 10 11 restricted to persons aged twenty-one years or older, that is within 12 one thousand feet of the perimeter of the grounds of the establishment seeking licensure. The notice must provide the contact 13 14 information for the ((liquor and cannabis)) board where any of the owners or operators of these entities may submit comments or concerns 15 16 about the proposed business location.
- 17 (b) For the purposes of this subsection, "church" means a building erected for and used exclusively for religious worship and 18 schooling or other activity in connection therewith. 19
- 20 Sec. 109. RCW 69.51.020 and 1979 c 136 s 2 are each amended to 21 read as follows:
 - The legislature finds that recent research has shown that the use of ((marijuana)) cannabis may alleviate the nausea and ill effects of cancer chemotherapy and radiology, and, additionally, may alleviate the ill effects of glaucoma. The legislature further finds that there is a need for further research and experimentation regarding the use of ((marijuana)) cannabis under strictly controlled circumstances. It is for this purpose that the controlled substances therapeutic research act is hereby enacted.
- 30 **Sec. 110.** RCW 69.51.030 and 2013 c 19 s 113 are each amended to read as follows: 31
- As used in this chapter: 32

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- (1) "Commission" means the pharmacy quality assurance commission; 33
- (2) "Department" means the department of health; 34
- (3) (("Marijuana")) "Cannabis" means all parts of the plant of 35 the genus Cannabis L., whether growing or not, the seeds thereof, the 36 resin extracted from any part of the plant, and every compound, 37

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- 1 manufacture, salt, derivative, mixture, or preparation of the plant,
- 2 its seeds, or resin; and
- 3 (4) "Practitioner" means a physician licensed pursuant to chapter
- 4 18.71 or 18.57 RCW.
- 5 **Sec. 111.** RCW 69.51.060 and 2013 c 19 s 116 are each amended to read as follows:
- 7 (1) The commission shall obtain ((marijuana)) cannabis through 8 whatever means it deems most appropriate and consistent with 9 regulations promulgated by the United States food and drug 10 administration, the drug enforcement agency, and the national 11 institute on drug abuse, and pursuant to the provisions of this 12 chapter.
- 13 (2) The commission may use ((marijuana)) cannabis which has been 14 confiscated by local or state law enforcement agencies and has been 15 determined to be free from contamination.
- 16 (3) The commission shall distribute the analyzed ((marijuana))
 17 cannabis to approved practitioners and/or institutions in accordance
 18 with rules promulgated by the commission.
- 19 **Sec. 112.** RCW 69.51A.005 and 2015 c 70 s 16 are each amended to 20 read as follows:
- 21 (1) The legislature finds that:

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- (a) There is medical evidence that some patients with terminal or debilitating medical conditions may, under their health care professional's care, benefit from the medical use of ((marijuana)) cannabis. Some of the conditions for which ((marijuana)) cannabis appears to be beneficial include, but are not limited to:
- 27 (i) Nausea, vomiting, and cachexia associated with cancer, HIV-28 positive status, AIDS, hepatitis C, anorexia, and their treatments;
- 29 (ii) Severe muscle spasms associated with multiple sclerosis, 30 epilepsy, and other seizure and spasticity disorders;
 - (iii) Acute or chronic glaucoma;
- 32 (iv) Crohn's disease; and
 - (v) Some forms of intractable pain.
- 34 (b) Humanitarian compassion necessitates that the decision to use 35 ((marijuana)) cannabis by patients with terminal or debilitating 36 medical conditions is a personal, individual decision, based upon 37 their health care professional's professional medical judgment and 38 discretion.

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1 (2) Therefore, the legislature intends that, so long as such 2 activities are in strict compliance with this chapter:

- (a) Qualifying patients with terminal or debilitating medical conditions who, in the judgment of their health care professionals, may benefit from the medical use of ((marijuana)) cannabis, shall not be arrested, prosecuted, or subject to other criminal sanctions or civil consequences under state law based solely on their medical use of ((marijuana)) cannabis, notwithstanding any other provision of law;
- (b) Persons who act as designated providers to such patients shall also not be arrested, prosecuted, or subject to other criminal sanctions or civil consequences under state law, notwithstanding any other provision of law, based solely on their assisting with the medical use of ((marijuana)) cannabis; and
- (c) Health care professionals shall also not be arrested, prosecuted, or subject to other criminal sanctions or civil consequences under state law for the proper authorization of medical use of ((marijuana)) cannabis by qualifying patients for whom, in the health care professional's professional judgment, the medical use of ((marijuana)) cannabis may prove beneficial.
- (3) Nothing in this chapter establishes the medical necessity or medical appropriateness of ((marijuana)) cannabis for treating terminal or debilitating medical conditions as defined in RCW 69.51A.010.
- (4) Nothing in this chapter diminishes the authority of correctional agencies and departments, including local governments or jails, to establish a procedure for determining when the use of ((marijuana)) cannabis would impact community safety or the effective supervision of those on active supervision for a criminal conviction, nor does it create the right to any accommodation of any medical use of ((marijuana)) cannabis in any correctional facility or jail.
- Sec. 113. RCW 69.51A.010 and 2015 c 70 s 17 are each reenacted and amended to read as follows:
- The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.
 - (1) (a) ((Until July 1, 2016, "authorization" means:
- 37 (i) A statement signed and dated by a qualifying patient's health 38 care professional written on tamper-resistant paper, which states

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- that, in the health care professional's professional opinion, the patient may benefit from the medical use of marijuana; and
- 3 (ii) Proof of identity such as a Washington state driver's dicense or identicard, as defined in RCW 46.20.035.
- 5 (b) Beginning July 1, 2016, "authorization")) "Authorization"
 6 means a form developed by the department that is completed and signed
 7 by a qualifying patient's health care professional and printed on
 8 tamper-resistant paper.
- 9 $((\frac{(c)}{(c)}))$ An authorization is not a prescription as defined in 10 RCW 69.50.101.
- 12 (2) "CBD concentration" means the percent of cannabidiol content 12 per dry weight of any part of the plant *Cannabis*, or per volume or 13 weight of ((marijuana)) cannabis product.
 - (3) "Department" means the department of health.
- 15 (4) "Designated provider" means a person who is twenty-one years 16 of age or older and:
- 17 (a)(i) Is the parent or guardian of a qualifying patient who is 18 under the age of eighteen and ((beginning July 1, 2016,)) holds a 19 recognition card; or
- 20 (ii) Has been designated in writing by a qualifying patient to 21 serve as the designated provider for that patient;
- (b) (i) Has an authorization from the qualifying patient's health care professional; or
 - (ii) ((Beginning July 1, 2016:))

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- (A) Has been entered into the medical ((marijuana)) cannabis authorization database as being the designated provider to a qualifying patient; and
 - (B) Has been provided a recognition card;
- (c) Is prohibited from consuming ((marijuana)) cannabis obtained for the personal, medical use of the qualifying patient for whom the individual is acting as designated provider;
- 32 (d) Provides ((marijuana)) cannabis to only the qualifying 33 patient that has designated him or her;
- 34 (e) Is in compliance with the terms and conditions of this 35 chapter; and
- 36 (f) Is the designated provider to only one patient at any one 37 time.
- 38 (5) "Health care professional," for purposes of this chapter 39 only, means a physician licensed under chapter 18.71 RCW, a physician 40 assistant licensed under chapter 18.71A RCW, an osteopathic physician

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- licensed under chapter 18.57 RCW, an osteopathic physicians' assistant licensed under chapter 18.57A RCW, a naturopath licensed under chapter 18.36A RCW, or an advanced registered nurse practitioner licensed under chapter 18.79 RCW.
- 5 (6) "Housing unit" means a house, an apartment, a mobile home, a 6 group of rooms, or a single room that is occupied as separate living 7 quarters, in which the occupants live and eat separately from any 8 other persons in the building, and which have direct access from the 9 outside of the building or through a common hall.
- 10 (7) "Low THC, high CBD" means products determined by the 11 department to have a low THC, high CBD ratio under RCW 69.50.375. Low 12 THC, high CBD products must be inhalable, ingestible, or absorbable.
- 13 (8) (("Marijuana")) "Cannabis" has the meaning provided in RCW 14 69.50.101.
- 15 (9) (("Marijuana)) "Cannabis concentrates" has the meaning 16 provided in RCW 69.50.101.
- 17 (10) (("Marijuana)) "Cannabis processor" has the meaning provided 18 in RCW 69.50.101.
- 19 (11) (("Marijuana)) "Cannabis producer" has the meaning provided 20 in RCW 69.50.101.
- 21 (12) (("Marijuana)) "Cannabis retailer" has the meaning provided 22 in RCW 69.50.101.
- (13) (("Marijuana)) "Cannabis retailer with a medical ((marijuana)) cannabis endorsement" means a ((marijuana)) cannabis retailer that has been issued a medical ((marijuana)) cannabis endorsement by the state liquor and cannabis board pursuant to RCW 69.50.375.
- 28 (14) (("Marijuana-infused)) "Cannabis-infused products" has the 29 meaning provided in RCW 69.50.101.
- 30 (15) "Medical ((marijuana)) cannabis authorization database" 31 means the secure and confidential database established in RCW 32 69.51A.230.
- 33 (16) "Medical use of ((marijuana")) cannabis" means the 34 manufacture, production, possession, transportation, delivery, 35 ingestion, application, or administration of ((marijuana)) cannabis 36 for the exclusive benefit of a qualifying patient in the treatment of 37 his or her terminal or debilitating medical condition.
- 38 (17) "Plant" means a ((marijuana)) cannabis plant having at least 39 three distinguishable and distinct leaves, each leaf being at least 40 three centimeters in diameter, and a readily observable root

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- 1 formation consisting of at least two separate and distinct roots,
- 2 each being at least two centimeters in length. Multiple stalks
- 3 emanating from the same root ball or root system is considered part
- 4 of the same single plant.

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- 5 (18) "Public place" has the meaning provided in RCW 70.160.020.
 - (19) "Qualifying patient" means a person who:
 - (a) (i) Is a patient of a health care professional;
- 8 (ii) Has been diagnosed by that health care professional as 9 having a terminal or debilitating medical condition;
- 10 (iii) Is a resident of the state of Washington at the time of 11 such diagnosis;
- 12 (iv) Has been advised by that health care professional about the 13 risks and benefits of the medical use of ((marijuana)) cannabis;
- 14 (v) Has been advised by that health care professional that they
 15 may benefit from the medical use of ((marijuana)) cannabis;
- 16 (vi)(A) Has an authorization from his or her health care 17 professional; or
 - (B) ((Beginning July 1, 2016, has)) Has been entered into the medical ((marijuana)) cannabis authorization database and has been provided a recognition card; and
 - (vii) Is otherwise in compliance with the terms and conditions established in this chapter.
 - (b) "Qualifying patient" does not include a person who is actively being supervised for a criminal conviction by a corrections agency or department that has determined that the terms of this chapter are inconsistent with and contrary to his or her supervision and all related processes and procedures related to that supervision.
 - (20) "Recognition card" means a card issued to qualifying patients and designated providers by a ((marijuana)) cannabis retailer with a medical ((marijuana)) cannabis endorsement that has entered them into the medical ((marijuana)) cannabis authorization database.
 - (21) "Retail outlet" has the meaning provided in RCW 69.50.101.
 - (22) "Secretary" means the secretary of the department of health.
- 35 (23) "Tamper-resistant paper" means paper that meets one or more 36 of the following industry-recognized features:
- 37 (a) One or more features designed to prevent copying of the 38 paper;
- 39 (b) One or more features designed to prevent the erasure or 40 modification of information on the paper; or

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- 1 (c) One or more features designed to prevent the use of counterfeit authorization.
 - (24) "Terminal or debilitating medical condition" means a condition severe enough to significantly interfere with the patient's activities of daily living and ability to function, which can be objectively assessed and evaluated and limited to the following:
- 7 (a) Cancer, human immunodeficiency virus (HIV), multiple 8 sclerosis, epilepsy or other seizure disorder, or spasticity 9 disorders;
- 10 (b) Intractable pain, limited for the purpose of this chapter to 11 mean pain unrelieved by standard medical treatments and medications;
- 12 (c) Glaucoma, either acute or chronic, limited for the purpose of 13 this chapter to mean increased intraocular pressure unrelieved by 14 standard treatments and medications;
- 15 (d) Crohn's disease with debilitating symptoms unrelieved by standard treatments or medications;
- 17 (e) Hepatitis C with debilitating nausea or intractable pain 18 unrelieved by standard treatments or medications;
- 19 (f) Diseases, including anorexia, which result in nausea, 20 vomiting, wasting, appetite loss, cramping, seizures, muscle spasms, 21 or spasticity, when these symptoms are unrelieved by standard 22 treatments or medications;
 - (g) Posttraumatic stress disorder; or
- 24 (h) Traumatic brain injury.

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- 25 (25) "THC concentration" has the meaning provided in RCW 26 69.50.101.
- 27 (26) "Useable ((marijuana")) cannabis" has the meaning provided 28 in RCW 69.50.101.
- 29 **Sec. 114.** RCW 69.51A.010 and 2020 c 80 s 44 are each amended to 30 read as follows:
- The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.
 - (1) (a) ((Until July 1, 2016, "authorization" means:
- (i) A statement signed and dated by a qualifying patient's health care professional written on tamper-resistant paper, which states that, in the health care professional's professional opinion, the patient may benefit from the medical use of marijuana; and
- 38 (ii) Proof of identity such as a Washington state driver's 39 license or identicard, as defined in RCW 46.20.035.

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- (b) Beginning July 1, 2016, "authorization")) "Authorization" means a form developed by the department that is completed and signed by a qualifying patient's health care professional and printed on 3 tamper-resistant paper. 4
- (((c))) (b) An authorization is not a prescription as defined in 5 6 RCW 69.50.101.
 - (2) "CBD concentration" means the percent of cannabidiol content per dry weight of any part of the plant Cannabis, or per volume or weight of ((marijuana)) cannabis product.
 - (3) "Department" means the department of health.
- 11 (4) "Designated provider" means a person who is twenty-one years of age or older and: 12
- (a) (i) Is the parent or guardian of a qualifying patient who is 13 14 under the age of eighteen and ((beginning July 1, 2016,)) holds a recognition card; or 15
- 16 (ii) Has been designated in writing by a qualifying patient to 17 serve as the designated provider for that patient;
- (b) (i) Has an authorization from the qualifying patient's health 18 care professional; or 19
 - (ii) ((Beginning July 1, 2016:))

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- 21 (A) Has been entered into the medical ((marijuana)) cannabis 22 authorization database as being the designated provider to a 23 qualifying patient; and
 - (B) Has been provided a recognition card;
- 25 (c) Is prohibited from consuming ((marijuana)) cannabis obtained 26 for the personal, medical use of the qualifying patient for whom the 27 individual is acting as designated provider;
- (d) Provides ((marijuana)) cannabis to only the qualifying 28 29 patient that has designated him or her;
- 30 (e) Is in compliance with the terms and conditions of this 31 chapter; and
- 32 (f) Is the designated provider to only one patient at any one time. 33
- (5) "Health care professional," for purposes of this chapter 34 35 only, means a physician licensed under chapter 18.71 RCW, a physician 36 assistant licensed under chapter 18.71A RCW, an osteopathic physician licensed under chapter 18.57 RCW, a naturopath licensed under chapter 37 18.36A RCW, or an advanced registered nurse practitioner licensed 38 under chapter 18.79 RCW. 39

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- 1 (6) "Housing unit" means a house, an apartment, a mobile home, a 2 group of rooms, or a single room that is occupied as separate living 3 quarters, in which the occupants live and eat separately from any 4 other persons in the building, and which have direct access from the 5 outside of the building or through a common hall.
 - (7) "Low THC, high CBD" means products determined by the department to have a low THC, high CBD ratio under RCW 69.50.375. Low THC, high CBD products must be inhalable, ingestible, or absorbable.

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- 9 (8) (("Marijuana")) "Cannabis" has the meaning provided in RCW 10 69.50.101.
- 11 (9) (("Marijuana)) "Cannabis concentrates" has the meaning 12 provided in RCW 69.50.101.
- 13 (10) (("Marijuana)) "Cannabis processor" has the meaning provided in RCW 69.50.101.
- 15 (11) (("Marijuana)) "Cannabis producer" has the meaning provided in RCW 69.50.101.
- 17 (12) (("Marijuana)) "Cannabis retailer" has the meaning provided 18 in RCW 69.50.101.
- 19 (13) (("Marijuana)) "Cannabis retailer with a medical ((marijuana)) cannabis endorsement" means a ((marijuana)) cannabis retailer that has been issued a medical ((marijuana)) cannabis endorsement by the state liquor and cannabis board pursuant to RCW 69.50.375.
- 24 (14) (("Marijuana-infused)) "Cannabis-infused products" has the 25 meaning provided in RCW 69.50.101.
- 26 (15) "Medical ((marijuana)) cannabis authorization database" 27 means the secure and confidential database established in RCW 28 69.51A.230.
 - (16) "Medical use of ((marijuana")) cannabis" means the manufacture, production, possession, transportation, delivery, ingestion, application, or administration of ((marijuana)) cannabis for the exclusive benefit of a qualifying patient in the treatment of his or her terminal or debilitating medical condition.
- 34 (17) "Plant" means a ((marijuana)) cannabis plant having at least three distinguishable and distinct leaves, each leaf being at least three centimeters in diameter, and a readily observable root formation consisting of at least two separate and distinct roots, each being at least two centimeters in length. Multiple stalks emanating from the same root ball or root system is considered part of the same single plant.

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- 1 (18) "Public place" has the meaning provided in RCW 70.160.020.
 - (19) "Qualifying patient" means a person who:

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- 3 (a) (i) Is a patient of a health care professional;
- 4 (ii) Has been diagnosed by that health care professional as 5 having a terminal or debilitating medical condition;
- 6 (iii) Is a resident of the state of Washington at the time of 7 such diagnosis;
- 8 (iv) Has been advised by that health care professional about the 9 risks and benefits of the medical use of ((marijuana)) cannabis;
- 10 (v) Has been advised by that health care professional that they
 11 may benefit from the medical use of ((marijuana)) cannabis;
- 12 (vi)(A) Has an authorization from his or her health care 13 professional; or
- 14 (B) ((Beginning July 1, 2016, has)) Has been entered into the 15 medical ((marijuana)) cannabis authorization database and has been provided a recognition card; and
 - (vii) Is otherwise in compliance with the terms and conditions established in this chapter.
 - (b) "Qualifying patient" does not include a person who is actively being supervised for a criminal conviction by a corrections agency or department that has determined that the terms of this chapter are inconsistent with and contrary to his or her supervision and all related processes and procedures related to that supervision.
 - (20) "Recognition card" means a card issued to qualifying patients and designated providers by a ((marijuana)) cannabis retailer with a medical ((marijuana)) cannabis endorsement that has entered them into the medical ((marijuana)) cannabis authorization database.
 - (21) "Retail outlet" has the meaning provided in RCW 69.50.101.
 - (22) "Secretary" means the secretary of the department of health.
- 31 (23) "Tamper-resistant paper" means paper that meets one or more 32 of the following industry-recognized features:
- 33 (a) One or more features designed to prevent copying of the 34 paper;
- 35 (b) One or more features designed to prevent the erasure or 36 modification of information on the paper; or
- 37 (c) One or more features designed to prevent the use of 38 counterfeit authorization.
- 39 (24) "Terminal or debilitating medical condition" means a 40 condition severe enough to significantly interfere with the patient's

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- activities of daily living and ability to function, which can be objectively assessed and evaluated and limited to the following:
- 3 (a) Cancer, human immunodeficiency virus (HIV), multiple 4 sclerosis, epilepsy or other seizure disorder, or spasticity 5 disorders;
- 6 (b) Intractable pain, limited for the purpose of this chapter to
 7 mean pain unrelieved by standard medical treatments and medications;
- 8 (c) Glaucoma, either acute or chronic, limited for the purpose of 9 this chapter to mean increased intraocular pressure unrelieved by 10 standard treatments and medications;
- 11 (d) Crohn's disease with debilitating symptoms unrelieved by 12 standard treatments or medications;
- 13 (e) Hepatitis C with debilitating nausea or intractable pain 14 unrelieved by standard treatments or medications;
- (f) Diseases, including anorexia, which result in nausea, vomiting, wasting, appetite loss, cramping, seizures, muscle spasms, or spasticity, when these symptoms are unrelieved by standard treatments or medications;
- 19 (g) Posttraumatic stress disorder; or
- 20 (h) Traumatic brain injury.

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- 21 (25) "THC concentration" has the meaning provided in RCW 22 69.50.101.
- 23 (26) "Useable ((marijuana")) cannabis" has the meaning provided in RCW 69.50.101.
- 25 **Sec. 115.** RCW 69.51A.030 and 2019 c 203 s 1 are each amended to 26 read as follows:
 - (1) The following acts do not constitute crimes under state law or unprofessional conduct under chapter 18.130 RCW, and a health care professional may not be arrested, searched, prosecuted, disciplined, or subject to other criminal sanctions or civil consequences or liability under state law, or have real or personal property searched, seized, or forfeited pursuant to state law, notwithstanding any other provision of law as long as the health care professional complies with subsection (2) of this section:
- 35 (a) Advising a patient about the risks and benefits of medical use of ((marijuana)) cannabis or that the patient may benefit from the medical use of ((marijuana)) cannabis; or
- 38 (b) Providing a patient or designated provider meeting the 39 criteria established under RCW 69.51A.010 with an authorization,

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- based upon the health care professional's assessment of the patient's medical history and current medical condition, if the health care professional has complied with this chapter and he or she determines within a professional standard of care or in the individual health care professional's medical judgment the qualifying patient may benefit from the medical use of ((marijuana)) cannabis.
 - (2)(a) A health care professional may provide a qualifying patient or that patient's designated provider with an authorization for the medical use of ((marijuana)) cannabis in accordance with this section.

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- (b) In order to authorize for the medical use of ((marijuana)) cannabis under (a) of this subsection, the health care professional must:
- (i) Have a documented relationship with the patient, as a principal care provider or a specialist, relating to the diagnosis and ongoing treatment or monitoring of the patient's terminal or debilitating medical condition;
- (ii) Complete an in-person physical examination of the patient or a remote physical examination of the patient if one is determined to be appropriate under (c)(iii) of this subsection;
- (iii) Document the terminal or debilitating medical condition of the patient in the patient's medical record and that the patient may benefit from treatment of this condition or its symptoms with medical use of ((marijuana)) cannabis;
- (iv) Inform the patient of other options for treating the terminal or debilitating medical condition and documenting in the patient's medical record that the patient has received this information;
- (v) Document in the patient's medical record other measures attempted to treat the terminal or debilitating medical condition that do not involve the medical use of ((marijuana)) cannabis; and
- (vi) Complete an authorization on forms developed by the department, in accordance with subsection (3) of this section.
- (c)(i) For a qualifying patient eighteen years of age or older, an authorization expires one year after its issuance. For a qualifying patient less than eighteen years of age, an authorization expires six months after its issuance.
- (ii) An authorization may be renewed upon completion of an inperson physical examination or a remote physical examination of the patient if one is determined to be appropriate under (c)(iii) of this

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subsection and, in compliance with the other requirements of (b) of this subsection.

- (iii) Following an in-person physical examination to authorize the use of ((marijuana)) cannabis for medical purposes, the health care professional may determine and note in the patient's medical record that subsequent physical examinations for the purposes of renewing an authorization may occur through the use of telemedicine technology if the health care professional determines that requiring the qualifying patient to attend a physical examination in person to renew an authorization would likely result in severe hardship to the qualifying patient because of the qualifying patient's physical or emotional condition.
- (iv) When renewing a qualifying patient's authorization for the medical use of ((marijuana on or after July 28, 2019)) cannabis, the health care professional may indicate that the qualifying patient qualifies for a compassionate care renewal of his or her registration in the medical ((marijuana)) cannabis authorization database and recognition card if the health care professional determines that requiring the qualifying patient to renew a registration in person would likely result in severe hardship to the qualifying patient because of the qualifying patient's physical or emotional condition. A compassionate care renewal of a qualifying patient's registration and recognition card allows the qualifying patient to receive renewals without the need to be physically present at a retailer and without the requirement to have a photograph taken.
 - (d) A health care professional shall not:
- (i) Accept, solicit, or offer any form of pecuniary remuneration from or to a ((marijuana)) cannabis retailer, ((marijuana)) cannabis processor, or ((marijuana)) cannabis producer;
- (ii) Offer a discount or any other thing of value to a qualifying patient who is a customer of, or agrees to be a customer of, a particular ((marijuana)) cannabis retailer;
- (iii) Examine or offer to examine a patient for purposes of diagnosing a terminal or debilitating medical condition at a location where ((marijuana)) cannabis is produced, processed, or sold;
- (iv) Have a business or practice which consists primarily of authorizing the medical use of ((marijuana)) cannabis or authorize the medical use of ((marijuana)) cannabis at any location other than his or her practice's permanent physical location;

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(v) Except as provided in RCW 69.51A.280, sell, or provide at no charge, ((marijuana)) cannabis concentrates, ((marijuana-infused)) cannabis-infused products, or useable ((marijuana)) cannabis to a qualifying patient or designated provider; or

- (vi) Hold an economic interest in an enterprise that produces, processes, or sells ((marijuana)) cannabis if the health care professional authorizes the medical use of ((marijuana)) cannabis.
- (3) The department shall develop the form for the health care professional to use as an authorization for qualifying patients and designated providers. The form shall include the qualifying patient's or designated provider's name, address, and date of birth; the health care professional's name, address, and license number; the amount of ((marijuana)) cannabis recommended for the qualifying patient; a telephone number where the authorization can be verified during normal business hours; the dates of issuance and expiration; and a statement that an authorization does not provide protection from arrest unless the qualifying patient or designated provider is also entered in the medical ((marijuana)) cannabis authorization database and holds a recognition card.
- (4) The appropriate health professions disciplining authority may inspect or request patient records to confirm compliance with this section. The health care professional must provide access to or produce documents, records, or other items that are within his or her possession or control within twenty-one calendar days of service of a request by the health professions disciplining authority. If the twenty-one calendar day limit results in a hardship upon the health care professional, he or she may request, for good cause, an extension not to exceed thirty additional calendar days. Failure to produce the documents, records, or other items shall result in citations and fines issued consistent with RCW 18.130.230. Failure to otherwise comply with the requirements of this section shall be considered unprofessional conduct and subject to sanctions under chapter 18.130 RCW.
- (5) After a health care professional authorizes a qualifying patient for the medical use of ((marijuana)) cannabis, he or she may discuss with the qualifying patient how to use ((marijuana)) cannabis and the types of products the qualifying patient should seek from a retail outlet.

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Sec. 116. RCW 69.51A.040 and 2015 c 70 s 24 are each amended to read as follows:

The medical use of ((marijuana)) cannabis in accordance with the terms and conditions of this chapter does not constitute a crime and a qualifying patient or designated provider in compliance with the terms and conditions of this chapter may not be arrested, prosecuted, or subject to other criminal sanctions or civil consequences for possession, manufacture, or delivery of, or for possession with intent to manufacture or deliver, ((marijuana)) cannabis under state law, or have real or personal property seized or forfeited for possession, manufacture, or delivery of, or for possession with intent to manufacture or deliver, ((marijuana)) cannabis under state law, and investigating law enforcement officers and agencies may not be held civilly liable for failure to seize ((marijuana)) cannabis in this circumstance, if:

- (1) (a) (i) The qualifying patient or designated provider has been entered into the medical ((marijuana)) cannabis authorization database and holds a valid recognition card and possesses no more than the amount of ((marijuana)) cannabis concentrates, useable ((marijuana)) cannabis, plants, or ((marijuana-infused)) cannabis-infused products authorized under RCW 69.51A.210.
- (ii) If a person is both a qualifying patient and a designated provider for another qualifying patient, the person may possess no more than twice the amounts described in RCW 69.51A.210 for the qualifying patient and designated provider, whether the plants, ((marijuana)) cannabis concentrates, useable ((marijuana, or marijuana-infused)) cannabis, or cannabis-infused products are possessed individually or in combination between the qualifying patient and his or her designated provider;
- (b) The qualifying patient or designated provider presents his or her recognition card to any law enforcement officer who questions the patient or provider regarding his or her medical use of ((marijuana)) cannabis;
- (c) The qualifying patient or designated provider keeps a copy of his or her recognition card and the qualifying patient or designated provider's contact information posted prominently next to any plants, ((marijuana)) cannabis concentrates, ((marijuana-infused)) cannabis—infused products, or useable ((marijuana)) cannabis located at his or her residence;

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1 (d) The investigating law enforcement officer does not possess 2 evidence that:

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- (i) The designated provider has converted ((marijuana)) cannabis produced or obtained for the qualifying patient for his or her own personal use or benefit; or
- (ii) The qualifying patient sold, donated, or supplied ((marijuana)) cannabis to another person; and
- 8 (e) The designated provider has not served as a designated 9 provider to more than one qualifying patient within a fifteen-day 10 period; or
- 11 (2) The qualifying patient or designated provider participates in 12 a cooperative as provided in RCW 69.51A.250.
- 13 **Sec. 117.** RCW 69.51A.043 and 2015 c 70 s 25 are each amended to 14 read as follows:
 - (1) A qualifying patient or designated provider who has a valid authorization from his or her health care professional, but is not entered in the medical ((marijuana)) cannabis authorization database and does not have a recognition card may raise the affirmative defense set forth in subsection (2) of this section, if:
 - (a) The qualifying patient or designated provider presents his or her authorization to any law enforcement officer who questions the patient or provider regarding his or her medical use of ((marijuana)) cannabis;
- (b) The qualifying patient or designated provider possesses no more ((marijuana)) cannabis than the limits set forth in RCW 69.51A.210(3);
 - (c) The qualifying patient or designated provider is in compliance with all other terms and conditions of this chapter;
 - (d) The investigating law enforcement officer does not have probable cause to believe that the qualifying patient or designated provider has committed a felony, or is committing a misdemeanor in the officer's presence, that does not relate to the medical use of ((marijuana)) cannabis; and
- 34 (e) No outstanding warrant for arrest exists for the qualifying 35 patient or designated provider.
 - (2) A qualifying patient or designated provider who is not entered in the medical ((marijuana)) cannabis authorization database and does not have a recognition card, but who presents his or her authorization to any law enforcement officer who questions the

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- patient or provider regarding his or her medical use of ((marijuana)) cannabis, may assert an affirmative defense to charges of violations of state law relating to ((marijuana)) cannabis through proof at trial, by a preponderance of the evidence, that he or she otherwise meets the requirements of RCW 69.51A.040. A qualifying patient or designated provider meeting the conditions of this subsection but possessing more ((marijuana)) cannabis than the limits set forth in RCW 69.51A.210(3) may, in the investigating law enforcement officer's discretion, be taken into custody and booked into jail in connection with the investigation of the incident.
- **Sec. 118.** RCW 69.51A.045 and 2015 c 70 s 29 are each amended to 12 read as follows:

- (1) A qualifying patient or designated provider in possession of plants, ((marijuana)) cannabis concentrates, useable ((marijuana, or marijuana-infused)) cannabis, or cannabis infused products exceeding the limits set forth in this chapter but otherwise in compliance with all other terms and conditions of this chapter may establish an affirmative defense to charges of violations of state law relating to ((marijuana)) cannabis through proof at trial, by a preponderance of the evidence, that the qualifying patient's necessary medical use exceeds the amounts set forth in RCW 69.51A.040.
- (2) An investigating law enforcement officer may seize plants, ((marijuana)) cannabis concentrates, useable ((marijuana, or marijuana-infused)) cannabis, or cannabis-infused products exceeding the amounts set forth in this chapter. In the case of plants, the qualifying patient or designated provider shall be allowed to select the plants that will remain at the location. The officer and his or her law enforcement agency may not be held civilly liable for failure to seize ((marijuana)) cannabis in this circumstance.
- **Sec. 119.** RCW 69.51A.050 and 1999 c 2 s 7 are each amended to 31 read as follows:
 - (1) The lawful possession or manufacture of medical ((marijuana)) cannabis as authorized by this chapter shall not result in the forfeiture or seizure of any property.
 - (2) No person shall be prosecuted for constructive possession, conspiracy, or any other criminal offense solely for being in the presence or vicinity of medical ((marijuana)) cannabis or its use as authorized by this chapter.

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- 1 (3) The state shall not be held liable for any deleterious 2 outcomes from the medical use of ((marijuana)) cannabis by any 3 qualifying patient.
 - Sec. 120. RCW 69.51A.060 and 2019 c 204 s 3 are each amended to read as follows:

- (1) It shall be a class 3 civil infraction to use or display medical ((marijuana)) cannabis in a manner or place which is open to the view of the general public.
- (2) Nothing in this chapter establishes a right of care as a covered benefit or requires any state purchased health care as defined in RCW 41.05.011 or other health carrier or health plan as defined in Title 48 RCW to be liable for any claim for reimbursement for the medical use of ((marijuana)) cannabis. Such entities may enact coverage or noncoverage criteria or related policies for payment or nonpayment of medical ((marijuana)) cannabis in their sole discretion.
- (3) Nothing in this chapter requires any health care professional to authorize the medical use of ((marijuana)) cannabis for a patient.
- (4) Nothing in this chapter requires any accommodation of any onsite medical use of ((marijuana)) cannabis in any place of employment, in any youth center, in any correctional facility, or smoking ((marijuana)) cannabis in any public place or hotel or motel.
- (5) Nothing in this chapter authorizes the possession or use of ((marijuana, marijuana)) cannabis, cannabis concentrates, useable ((marijuana, or marijuana-infused)) cannabis, or cannabis-infused products on federal property.
- (6) Nothing in this chapter authorizes the use of medical ((marijuana)) cannabis by any person who is subject to the Washington code of military justice in chapter 38.38 RCW.
- (7) Employers may establish drug-free work policies. Nothing in this chapter requires an accommodation for the medical use of ((marijuana)) cannabis if an employer has a drug-free workplace.
- (8) No person shall be entitled to claim the protection from arrest and prosecution under RCW 69.51A.040 or the affirmative defense under RCW 69.51A.043 for engaging in the medical use of ((marijuana)) cannabis in a way that endangers the health or well-being of any person through the use of a motorized vehicle on a street, road, or highway, including violations of RCW 46.61.502 or 46.61.504, or equivalent local ordinances.

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Sec. 121. RCW 69.51A.100 and 2015 c 70 s 34 are each amended to read as follows:

- (1) A qualifying patient may revoke his or her designation of a specific designated provider and designate a different designated provider at any time. A revocation of designation must be in writing, signed and dated, and provided to the designated provider and, if applicable, the medical ((marijuana)) cannabis authorization database administrator. The protections of this chapter cease to apply to a person who has served as a designated provider to a qualifying patient seventy-two hours after receipt of that patient's revocation of his or her designation.
- (2) A person may stop serving as a designated provider to a given qualifying patient at any time by revoking that designation in writing, signed and dated, and provided to the qualifying patient and, if applicable, the medical ((marijuana)) cannabis authorization database administrator. However, that person may not begin serving as a designated provider to a different qualifying patient until fifteen days have elapsed from the date the last qualifying patient designated him or her to serve as a (([designated])) designated provider.
- 21 (3) The department may adopt rules to implement this section, 22 including a procedure to remove the name of the designated provider 23 from the medical ((marijuana)) cannabis authorization database upon 24 receipt of a revocation under this section.
- **Sec. 122.** RCW 69.51A.210 and 2015 c 70 s 19 are each amended to 26 read as follows:
 - As part of authorizing a qualifying patient or designated provider, the health care professional may include recommendations on the amount of ((marijuana)) cannabis that is likely needed by the qualifying patient for his or her medical needs and in accordance with this section.
 - (1) If the health care professional does not include recommendations on the qualifying patient's or designated provider's authorization, the ((marijuana)) cannabis retailer with a medical ((marijuana)) cannabis endorsement, when adding the qualifying patient or designated provider to the medical ((marijuana)) cannabis authorization database, shall enter into the database that the qualifying patient or designated provider may purchase or obtain at a retail outlet holding a medical ((marijuana)) cannabis endorsement a

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combination of the following: Forty-eight ounces of ((marijuanainfused)) cannabis-infused product in solid form; three ounces of useable ((marijuana)) cannabis; two hundred sixteen ounces ((marijuana-infused)) cannabis-infused product in liquid form; twenty-one grams of ((marijuana)) cannabis concentrates. The qualifying patient or designated provider may also grow, in his or her domicile, up to six plants for the personal medical use of the qualifying patient and possess up to eight ounces of useable ((marijuana)) cannabis produced from his or her plants. These amounts shall be specified on the recognition card that is issued to the qualifying patient or designated provider.

- (2) If the health care professional determines that the medical needs of a qualifying patient exceed the amounts provided for in subsection (1) of this section, the health care professional must specify on the authorization that it is recommended that the patient be allowed to grow, in his or her domicile, up to fifteen plants for the personal medical use of the patient. A patient so authorized may possess up to sixteen ounces of useable ((marijuana)) cannabis in his or her domicile. The number of plants must be entered into the medical ((marijuana)) cannabis authorization database by the ((marijuana)) cannabis retailer with a medical ((marijuana)) cannabis endorsement and specified on the recognition card that is issued to the qualifying patient or designated provider.
- (3) If a qualifying patient or designated provider with an authorization from a health care professional has not been entered into the medical ((marijuana)) cannabis authorization database, he or she may not receive a recognition card and may only purchase at a retail outlet, whether it holds a medical ((marijuana)) cannabis endorsement or not, the amounts established in RCW 69.50.360. In addition the qualifying patient or the designated provider may grow, in his or her domicile, up to four plants for the personal medical use of the qualifying patient and possess up to six ounces of useable ((marijuana)) cannabis in his or her domicile.
- **Sec. 123.** RCW 69.51A.220 and 2015 c 70 s 20 are each amended to read as follows:
- 36 (1) Health care professionals may authorize the medical use of 37 ((marijuana)) cannabis for qualifying patients who are under the age 38 of eighteen if:

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(a) The minor's parent or guardian participates in the minor's treatment and agrees to the medical use of ((marijuana)) cannabis by the minor; and

- (b) The parent or guardian acts as the designated provider for the minor and has sole control over the minor's ((marijuana)) cannabis.
- (2) The minor may not grow plants or purchase ((marijuana-infused)) cannabis-infused products, useable ((marijuana, or marijuana)) cannabis, or cannabis concentrates from a ((marijuana)) cannabis retailer with a medical ((marijuana)) cannabis endorsement.
- (3) Both the minor and the minor's parent or guardian who is acting as the designated provider must be entered in the medical ((marijuana)) cannabis authorization database and hold a recognition card.
- (4) A health care professional who authorizes the medical use of ((marijuana)) cannabis by a minor must do so as part of the course of treatment of the minor's terminal or debilitating medical condition. If authorizing a minor for the medical use of ((marijuana)) cannabis, the health care professional must:
- (a) Consult with other health care providers involved in the minor's treatment, as medically indicated, before authorization or reauthorization of the medical use of ((marijuana)) cannabis; and
- (b) Reexamine the minor at least once every six months or more frequently as medically indicated. The reexamination must:
 - (i) Determine that the minor continues to have a terminal or debilitating medical condition and that the condition benefits from the medical use of ((marijuana)) cannabis; and
- (ii) Include a follow-up discussion with the minor's parent or guardian to ensure the parent or guardian continues to participate in the treatment of the minor.
- **Sec. 124.** RCW 69.51A.225 and 2019 c 204 s 2 are each amended to 32 read as follows:
 - A school district must permit a student who meets the requirements of RCW 69.51A.220 to consume ((marijuana-infused)) cannabis-infused products on school grounds, aboard a school bus, or while attending a school-sponsored event. The use must be in accordance with school policy relating to medical ((marijuana)) cannabis use on school grounds, aboard a school bus, or while attending a school-sponsored event, as adopted under RCW 28A.210.325.

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Sec. 125. RCW 69.51A.230 and 2019 c 220 s 2 and 2019 c 203 s 2 are each reenacted and amended to read as follows:

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- (1) The department must contract with an entity to create, administer, and maintain a secure and confidential medical ((marijuana)) cannabis authorization database that((, beginning July 1, 2016,)) allows:
- (a) A ((marijuana)) cannabis retailer with a medical ((marijuana)) cannabis endorsement to add a qualifying patient or designated provider and include the amount of ((marijuana)) cannabis concentrates, useable ((marijuana, marijuana-infused)) cannabis, cannabis-infused products, or plants for which the qualifying patient is authorized under RCW 69.51A.210;
- (b) Persons authorized to prescribe or dispense controlled substances to access health care information on their patients for the purpose of providing medical or pharmaceutical care for their patients;
- (c) A qualifying patient or designated provider to request and receive his or her own health care information or information on any person or entity that has queried their name or information;
- (d) Appropriate local, state, tribal, and federal law enforcement or prosecutorial officials who are engaged in a bona fide specific investigation of suspected ((marijuana-related)) cannabis-related activity that may be illegal under Washington state law to confirm the validity of the recognition card of a qualifying patient or designated provider;
- (e) A ((marijuana)) <u>cannabis</u> retailer holding a medical ((marijuana)) <u>cannabis</u> endorsement to confirm the validity of the recognition card of a qualifying patient or designated provider;
- 29 (f) The department of revenue to verify tax exemptions under 30 chapters 82.08 and 82.12 RCW;
- 31 (g) The department and the health care professional's 32 disciplining authorities to monitor authorizations and ensure 33 compliance with this chapter and chapter 18.130 RCW by their 34 licensees; and
 - (h) Authorizations to expire six months or one year after entry into the medical ((marijuana)) cannabis authorization database, depending on whether the authorization is for a minor or an adult.
- 38 (2) A qualifying patient and his or her designated provider, if 39 any, may be placed in the medical ((marijuana)) cannabis 40 authorization database at a ((marijuana)) cannabis retailer with a

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- 1 medical ((marijuana)) <u>cannabis</u> endorsement. After all qualifying
- 2 patient or designated provider is placed in the medical ((marijuana))
- 3 <u>cannabis</u> authorization database, he or she must be provided with a
- 4 recognition card that contains identifiers required in subsection (3) of this section.
- 6 (3) The recognition card requirements must be developed by the department in rule and include:
 - (a) A randomly generated and unique identifying number;

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- 9 (b) For designated providers, the unique identifying number of the qualifying patient whom the provider is assisting;
 - (c) A photograph of the qualifying patient's or designated provider's face taken by an employee of the ((marijuana)) cannabis retailer with a medical ((marijuana)) cannabis endorsement at the same time that the qualifying patient or designated provider is being placed in the medical ((marijuana)) cannabis authorization database in accordance with rules adopted by the department;
- (d) The amount of ((marijuana)) cannabis concentrates, useable ((marijuana, marijuana-infused)) cannabis, cannabis-infused products, or plants for which the qualifying patient is authorized under RCW 69.51A.210;
- 21 (e) The effective date and expiration date of the recognition 22 card:
 - (f) The name of the health care professional who authorized the qualifying patient or designated provider; and
 - (g) For the recognition card, additional security features as necessary to ensure its validity.
 - (4) (a) For qualifying patients who are eighteen years of age or older and their designated providers, recognition cards are valid for one year from the date the health care professional issued the authorization. For qualifying patients who are under the age of eighteen and their designated providers, recognition cards are valid for six months from the date the health care professional issued the authorization. Qualifying patients may not be reentered into the medical ((marijuana)) cannabis authorization database until they have been reexamined by a health care professional and determined to meet the definition of qualifying patient. After reexamination, a ((marijuana)) cannabis retailer with a medical ((marijuana)) cannabis endorsement must reenter the qualifying patient or designated provider into the medical ((marijuana)) cannabis authorization

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database and a new recognition card will then be issued in accordance with department rules.

- (b) ((Beginning on July 28, 2019, a)) A qualifying patient's registration in the medical ((marijuana)) cannabis authorization database and his or her recognition card may be renewed by a qualifying patient's designated provider without the physical presence of the qualifying patient at the retailer if the authorization from the health care professional indicates that the qualifying patient qualifies for a compassionate care renewal, as provided in RCW 69.51A.030. A qualifying patient receiving renewals under the compassionate care renewal provisions is exempt from the photograph requirements under subsection (3)(c) of this section.
- (5) If a recognition card is lost or stolen, a ((marijuana)) cannabis retailer with a medical ((marijuana)) cannabis endorsement, in conjunction with the database administrator, may issue a new card that will be valid for six months to one year if the patient is reexamined by a health care professional and determined to meet the definition of qualifying patient and depending on whether the patient is under the age of eighteen or eighteen years of age or older as provided in subsection (4) of this section. If a reexamination is not performed, the expiration date of the replacement recognition card must be the same as the lost or stolen recognition card.
- (6) The database administrator must remove qualifying patients and designated providers from the medical ((marijuana)) cannabis authorization database upon expiration of the recognition card. Qualifying patients and designated providers may request to remove themselves from the medical ((marijuana)) cannabis authorization database before expiration of a recognition card and health care professionals may request to remove qualifying patients and designated providers from the medical ((marijuana)) cannabis authorization database if the patient or provider no longer qualifies for the medical use of ((marijuana)) cannabis. The database administrator must retain database records for at least five calendar years to permit the state liquor and cannabis board and the department of revenue to verify eligibility for tax exemptions.
- (7) During development of the medical ((marijuana)) cannabis authorization database, the database administrator must consult with the department, stakeholders, and persons with relevant expertise to include, but not be limited to, qualifying patients, designated providers, health care professionals, state and local law enforcement

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agencies, and the University of Washington computer science and engineering security and privacy research lab or a certified cybersecurity firm, vendor, or service.

- (8) The medical ((marijuana)) <u>cannabis</u> authorization database must meet the following requirements:
- (a) Any personally identifiable information included in the database must be nonreversible, pursuant to definitions and standards set forth by the national institute of standards and technology;
- (b) Any personally identifiable information included in the database must not be susceptible to linkage by use of data external to the database;
- (c) The database must incorporate current best differential privacy practices, allowing for maximum accuracy of database queries while minimizing the chances of identifying the personally identifiable information included therein; and
- (d) The database must be upgradable and updated in a timely fashion to keep current with state of the art privacy and security standards and practices.
- (9) (a) Personally identifiable information of qualifying patients and designated providers included in the medical ((marijuana)) cannabis authorization database is confidential and exempt from public disclosure, inspection, or copying under chapter 42.56 RCW.
- (b) Information contained in the medical ((marijuana)) cannabis authorization database may be released in aggregate form, with all personally identifiable information redacted, for the purpose of statistical analysis and oversight of agency performance and actions.
- (c) Information contained in the medical ((marijuana)) cannabis authorization database shall not be shared with the federal government or its agents unless the particular qualifying patient or designated provider is convicted in state court for violating this chapter or chapter 69.50 RCW.
- (10) The department must charge a one dollar fee for each initial and renewal recognition card issued by a ((marijuana)) cannabis retailer with a medical ((marijuana)) cannabis endorsement. The ((marijuana)) cannabis retailer with a medical ((marijuana)) cannabis endorsement shall collect the fee from the qualifying patient or designated provider at the time that he or she is entered into the database and issued a recognition card. The department shall establish a schedule for ((marijuana)) cannabis retailers with a medical ((marijuana)) cannabis endorsement to remit the fees

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collected. Fees collected under this subsection shall be deposited into the dedicated ((marijuana)) cannabis account created under RCW 69.50.530.

- (11) If the database administrator fails to comply with this section, the department may cancel any contracts with the database administrator and contract with another database administrator to continue administration of the database. A database administrator who fails to comply with this section is subject to a fine of up to five thousand dollars in addition to any penalties established in the contract. Fines collected under this section must be deposited into the health professions account created under RCW 43.70.320.
- 12 (12) The department may adopt rules to implement this section.
- **Sec. 126.** RCW 69.51A.240 and 2015 c 70 s 23 are each amended to 14 read as follows:
 - (1) It is unlawful for a person to knowingly or intentionally:
 - (a) Access the medical ((marijuana)) cannabis authorization database for any reason not authorized under RCW 69.51A.230;
 - (b) Disclose any information received from the medical ((marijuana)) cannabis authorization database in violation of RCW 69.51A.230 including, but not limited to, qualifying patient or designated provider names, addresses, or amount of ((marijuana)) cannabis for which they are authorized;
 - (c) Produce a recognition card or to tamper with a recognition card for the purpose of having it accepted by a ((marijuana)) cannabis retailer holding a medical ((marijuana)) cannabis endorsement in order to purchase ((marijuana)) cannabis as a qualifying patient or designated provider or to grow ((marijuana)) cannabis plants in accordance with this chapter;
 - (d) If a person is a designated provider to a qualifying patient, sell, donate, or supply ((marijuana)) cannabis produced or obtained for the qualifying patient to another person, or use the ((marijuana)) cannabis produced or obtained for the qualifying patient for the designated provider's own personal use or benefit; or
 - (e) If the person is a qualifying patient, sell, donate, or otherwise supply ((marijuana)) cannabis produced or obtained by the qualifying patient to another person.
- 37 (2) A person who violates this section is guilty of a class C 38 felony.

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- **Sec. 127.** RCW 69.51A.250 and 2017 c 317 s 8 are each amended to read as follows:
 - (1) Qualifying patients or designated providers may form a cooperative and share responsibility for acquiring and supplying the resources needed to produce and process ((marijuana)) cannabis only for the medical use of members of the cooperative. No more than four qualifying patients or designated providers may become members of a cooperative under this section and all members must hold valid recognition cards. All members of the cooperative must be at least twenty-one years old. The designated provider of a qualifying patient who is under twenty-one years old may be a member of a cooperative on the qualifying patient's behalf. All plants grown in the cooperative must be from an immature plant or clone purchased from a licensed ((marijuana)) cannabis producer as defined in RCW 69.50.101. Cooperatives may also purchase ((marijuana)) cannabis seeds from a licensed ((marijuana)) cannabis producer.
 - (2) Qualifying patients and designated providers who wish to form a cooperative must register the location with the state liquor and cannabis board and this is the only location where cooperative members may grow or process ((marijuana)) cannabis. This registration must include the names of all participating members and copies of each participant's recognition card. Only qualifying patients or designated providers registered with the state liquor and cannabis board in association with the location may participate in growing or receive useable ((marijuana or marijuana-infused)) cannabis or cannabis-infused products grown at that location.
 - (3) No cooperative may be located in any of the following areas:
 - (a) Within one mile of a ((marijuana)) cannabis retailer;
 - (b) Within the smaller of either:

- (i) One thousand feet of the perimeter of the grounds of any elementary or secondary school, playground, recreation center or facility, child care center, public park, public transit center, library, or any game arcade that admission to which is not restricted to persons aged twenty-one years or older; or
- (ii) The area restricted by ordinance, if the cooperative is located in a city, county, or town that has passed an ordinance pursuant to RCW 69.50.331(8); or
 - (c) Where prohibited by a city, town, or county zoning provision.

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(4) The state liquor and cannabis board must deny the registration of any cooperative if the location does not comply with the requirements set forth in subsection (3) of this section.

- (5) If a qualifying patient or designated provider no longer participates in growing at the location, he or she must notify the state liquor and cannabis board within fifteen days of the date the qualifying patient or designated provider ceases participation. The state liquor and cannabis board must remove his or her name from connection to the cooperative. Additional qualifying patients or designated providers may not join the cooperative until sixty days have passed since the date on which the last qualifying patient or designated provider notifies the state liquor and cannabis board that he or she no longer participates in that cooperative.
- (6) Qualifying patients or designated providers who participate in a cooperative under this section:
- (a) May grow up to the total amount of plants for which each participating member is authorized on their recognition cards, up to a maximum of sixty plants. At the location, the qualifying patients or designated providers may possess the amount of useable ((marijuana)) cannabis that can be produced with the number of plants permitted under this subsection, but no more than seventy-two ounces;
 - (b) May only participate in one cooperative;
- (c) May only grow plants in the cooperative and if he or she grows plants in the cooperative may not grow plants elsewhere;
- (d) Must provide assistance in growing plants. A monetary contribution or donation is not to be considered assistance under this section. Participants must provide nonmonetary resources and labor in order to participate; and
- (e) May not sell, donate, or otherwise provide ((marijuana, marijuana)) cannabis, cannabis concentrates, useable ((marijuana, or marijuana-infused)) cannabis, or cannabis-infused products to a person who is not participating under this section.
- (7) The location of the cooperative must be the domicile of one of the participants. Only one cooperative may be located per property tax parcel. A copy of each participant's recognition card must be kept at the location at all times.
- 37 (8) The state liquor and cannabis board may adopt rules to 38 implement this section including:

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1 (a) Any security requirements necessary to ensure the safety of the cooperative and to reduce the risk of diversion from the cooperative; 3

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- (b) A seed to sale traceability model that is similar to the seed 4 to sale traceability model used by licensees that will allow the 5 6 state liquor and cannabis board to track all ((marijuana)) cannabis 7 grown in a cooperative.
 - (9) The state liquor and cannabis board or law enforcement may inspect a cooperative registered under this section to ensure members are in compliance with this section. The state liquor and cannabis board must adopt rules on reasonable inspection hours and reasons for inspections.
- 13 Sec. 128. RCW 69.51A.260 and 2015 c 70 s 27 are each amended to read as follows: 14
 - (1) Notwithstanding any other provision of this chapter and even if multiple qualifying patients or designated providers reside in the same housing unit, no more than fifteen plants may be grown or located in any one housing unit other than a cooperative established pursuant to RCW 69.51A.250.
 - (2) Neither the production nor processing of ((marijuana or marijuana-infused)) cannabis or cannabis-infused products pursuant to this section nor the storage or growing of plants may occur if any portion of such activity can be readily seen by normal unaided vision or readily smelled from a public place or the private property of another housing unit.
 - (3) Cities, towns, counties, and other municipalities may create and enforce civil penalties, including abatement procedures, for the growing or processing of ((marijuana)) cannabis and for keeping ((marijuana)) cannabis plants beyond or otherwise not in compliance with this section.
- Sec. 129. RCW 69.51A.270 and 2015 c 70 s 28 are each amended to 31 read as follows: 32
- (1) Once the state liquor and cannabis board adopts rules under 33 subsection (2) of this section, qualifying patients or designated 34 providers may only extract or separate the resin from ((marijuana)) 35 cannabis or produce or process any form of ((marijuana)) cannabis 36 37 concentrates or ((marijuana-infused)) cannabis-infused products in accordance with those standards. 38

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(2) The state liquor and cannabis board must adopt rules permitting qualifying patients and designated providers to extract or separate the resin from ((marijuana)) cannabis using noncombustable 3 methods. The rules must provide the noncombustible methods permitted 4 and any restrictions on this practice.

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- Sec. 130. RCW 69.51A.290 and 2015 c 70 s 37 are each amended to 6 7 read as follows:
- 8 A medical ((marijuana)) cannabis consultant certificate is hereby 9 established.
- (1) In addition to any other authority provided by law, the 10 11 secretary of the department may:
- (a) Adopt rules, in accordance with chapter 34.05 RCW, necessary 12 13 to implement this chapter;
- (b) Establish forms and procedures necessary to administer this 14 15 chapter;
 - (c) Approve training or education programs that meet the requirements of this section and any rules adopted to implement it;
 - (d) Receive criminal history record information that includes nonconviction information data for any purpose associated with initial certification or renewal of certification. The secretary shall require each applicant for initial certification to obtain a state or federal criminal history record information background check through the state patrol or the state patrol and the identification division of the federal bureau of investigation prior to the issuance of any certificate. The secretary shall specify those situations where a state background check is inadequate and an applicant must obtain an electronic fingerprint-based national background check through the state patrol and federal bureau of investigation. Situations where a background check is inadequate may include instances where an applicant has recently lived out-of-state or where the applicant has a criminal record in Washington;
- 32 Establish administrative procedures, administrative requirements, and fees in accordance with RCW 43.70.110 and 33 34 43.70.250; and
- (f) Maintain the official department record of all applicants and 35 36 certificate holders.
- (2) A training or education program approved by the secretary 37 38 must include the following topics:

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- 1 (a) The medical conditions that constitute terminal or debilitating conditions, and the symptoms of those conditions;
 - (b) Short and long-term effects of cannabinoids;

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- (c) Products that may benefit qualifying patients based on the patient's terminal or debilitating medical condition;
 - (d) Risks and benefits of various routes of administration;
- (e) Safe handling and storage of useable ((marijuana, marijuana-infused)) cannabis, cannabis-infused products, and ((marijuana)) cannabis concentrates, including strategies to reduce access by minors;
- 11 (f) Demonstrated knowledge of this chapter and the rules adopted 12 to implement it; and
 - (g) Other subjects deemed necessary and appropriate by the secretary to ensure medical ((marijuana)) cannabis consultant certificate holders are able to provide evidence-based and medically accurate advice on the medical use of ((marijuana)) cannabis.
 - (3) Medical ((marijuana)) <u>cannabis</u> consultant certificates are subject to annual renewals and continuing education requirements established by the secretary.
 - (4) The secretary shall have the power to refuse, suspend, or revoke the certificate of any medical ((marijuana)) cannabis consultant upon proof that:
- 23 (a) The certificate was procured through fraud, 24 misrepresentation, or deceit;
 - (b) The certificate holder has committed acts in violation of subsection (6) of this section; or
 - (c) The certificate holder has violated or has permitted any employee or volunteer to violate any of the laws of this state relating to drugs or controlled substances or has been convicted of a felony.
 - In any case of the refusal, suspension, or revocation of a certificate by the secretary under the provisions of this chapter, appeal may be taken in accordance with chapter 34.05 RCW, the administrative procedure act.
 - (5) A medical ((marijuana)) cannabis consultant may provide the following services when acting as an owner, employee, or volunteer of a retail outlet licensed under RCW 69.50.354 and holding a medical ((marijuana)) cannabis endorsement under RCW 69.50.375:

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(a) Assisting a customer with the selection of products sold at the retail outlet that may benefit the qualifying patient's terminal or debilitating medical condition;

- (b) Describing the risks and benefits of products sold at the retail outlet;
- (c) Describing the risks and benefits of methods of administration of products sold at the retail outlet;
- (d) Advising a customer about the safe handling and storage of useable ((marijuana, marijuana-infused)) cannabis, cannabis-infused products, and ((marijuana)) cannabis concentrates, including strategies to reduce access by minors; and
- (e) Providing instruction and demonstrations to customers about proper use and application of useable ((marijuana, marijuana-infused)) cannabis, cannabis-infused products, and ((marijuana)) cannabis concentrates.
- 16 (6) Nothing in this section authorizes a medical ((marijuana))
 17 cannabis consultant to:
 - (a) Offer or undertake to diagnose or cure any human disease, ailment, injury, infirmity, deformity, pain, or other condition, physical or mental, real or imaginary, by use of ((marijuana)) cannabis or any other means or instrumentality; or
 - (b) Recommend or suggest modification or elimination of any course of treatment that does not involve the medical use of ((marijuana)) cannabis.
 - (7) Nothing in this section requires an owner, employee, or volunteer of a retail outlet licensed under RCW 69.50.354 and holding a medical ((marijuana)) cannabis endorsement under RCW 69.50.375 to obtain a medical ((marijuana)) cannabis consultant certification.
 - (8) Nothing in this section applies to the practice of a health care profession by individuals who are licensed, certified, or registered in a profession listed in RCW 18.130.040(2) and who are performing services within their authorized scope of practice.
- **Sec. 131.** RCW 69.51A.300 and 2019 c 55 s 13 are each amended to read as follows:

The board of naturopathy, the board of osteopathic medicine and surgery, the Washington medical commission, and the nursing care quality assurance commission shall develop and approve continuing education programs related to the use of ((marijuana)) cannabis for medical purposes for the health care providers that they each

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- regulate that are based upon practice guidelines that have been adopted by each entity.
- 3 **Sec. 132.** RCW 69.51A.310 and 2017 c 317 s 11 are each amended to 4 read as follows:

Qualifying patients and designated providers, who hold a recognition card and have been entered into the medical ((marijuana)) cannabis authorization database, may purchase immature plants or clones from a licensed ((marijuana)) cannabis producer as defined in RCW 69.50.101. Qualifying patients and designated providers may also purchase ((marijuana)) cannabis seeds from a licensed ((marijuana)) cannabis producer.

- 12 **Sec. 133.** RCW 70.345.010 and 2019 c 445 s 210 and 2019 c 15 s 4 13 are each reenacted and amended to read as follows:
- The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.

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- (1) "Board" means the Washington state liquor and cannabis board.
- (2) "Business" means any trade, occupation, activity, or enterprise engaged in for the purpose of selling or distributing vapor products in this state.
- (3) "Child care facility" has the same meaning as provided in RCW ((70.140.020)) 70A.320.020.
 - (4) "Closed system nicotine container" means a sealed, prefilled, and disposable container of nicotine in a solution or other form in which such container is inserted directly into an electronic cigarette, electronic nicotine delivery system, or other similar product, if the nicotine in the container is inaccessible through customary or reasonably foreseeable handling or use, including reasonably foreseeable ingestion or other contact by children.
- 29 (5) "Delivery sale" means any sale of a vapor product to a 30 purchaser in this state where either:
 - (a) The purchaser submits the order for such sale by means of a telephonic or other method of voice transmission, the mails or any other delivery service, or the internet or other online service; or
 - (b) The vapor product is delivered by use of the mails or of a delivery service. The foregoing sales of vapor products constitute a delivery sale regardless of whether the seller is located within or without this state. "Delivery sale" does not include a sale of any vapor product not for personal consumption to a retailer.

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1 (6) "Delivery seller" means a person who makes delivery sales.

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- (7) "Distributor" has the same meaning as in RCW 82.25.005.
- 3 (8) "Liquid nicotine container" means a package from which 4 nicotine in a solution or other form is accessible through normal and 5 foreseeable use by a consumer and that is used to hold soluble 6 nicotine in any concentration. "Liquid nicotine container" does not 7 include closed system nicotine containers.
- 8 (9) "Manufacturer" means a person who manufactures and sells 9 vapor products.
 - (10) "Person" means any individual, receiver, administrator, executor, assignee, trustee in bankruptcy, trust, estate, firm, copartnership, joint venture, club, company, joint stock company, business trust, municipal corporation, the state and its departments and institutions, political subdivision of the state of Washington, corporation, limited liability company, association, society, any group of individuals acting as a unit, whether mutual, cooperative, fraternal, nonprofit, or otherwise.
 - (11) "Place of business" means any place where vapor products are sold or where vapor products are manufactured, stored, or kept for the purpose of sale.
 - (12) "Playground" means any public improved area designed, equipped, and set aside for play of six or more children which is not intended for use as an athletic playing field or athletic court, including but not limited to any play equipment, surfacing, fencing, signs, internal pathways, internal land forms, vegetation, and related structures.
 - (13) "Retail outlet" means each place of business from which vapor products are sold to consumers.
- 29 (14) "Retailer" means any person engaged in the business of 30 selling vapor products to ultimate consumers.
- 31 (15)(a) "Sale" means any transfer, exchange, or barter, in any 32 manner or by any means whatsoever, for a consideration, and includes 33 and means all sales made by any person.
 - (b) The term "sale" includes a gift by a person engaged in the business of selling vapor products, for advertising, promoting, or as a means of evading the provisions of this chapter.
- 37 (16) "School" has the same meaning as provided in RCW ((70.140.020)) 70A.320.020.
- 39 (17) "Self-service display" means a display that contains vapor 40 products and is located in an area that is openly accessible to

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- customers and from which customers can readily access such products without the assistance of a salesperson. A display case that holds vapor products behind locked doors does not constitute a self-service display.
- 5 (18) "Vapor product" means any noncombustible product that may 6 contain nicotine and that employs a heating element, power source, 7 electronic circuit, or other electronic, chemical, or mechanical 8 means, regardless of shape or size, that can be used to produce vapor 9 or aerosol from a solution or other substance.

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- (a) "Vapor product" includes any electronic cigarette, electronic cigar, electronic cigarillo, electronic pipe, or similar product or device and any vapor cartridge or other container that may contain nicotine in a solution or other form that is intended to be used with or in an electronic cigarette, electronic cigar, electronic cigarillo, electronic pipe, or similar product or device.
- (b) "Vapor product" does not include any product that meets the definition of ((marijuana)) cannabis, useable ((marijuana, marijuana)) cannabis, cannabis concentrates, ((marijuana-infused)) cannabis-infused products, cigarette, or tobacco products.
- (c) For purposes of this subsection (18), (("marijuana,"))

 "cannabis," "useable ((marijuana," "marijuana)) cannabis," "cannabis

 concentrates," and (("marijuana-infused)) "cannabis-infused products"

 have the same meaning as provided in RCW 69.50.101.
- 24 **Sec. 134.** RCW 79A.60.040 and 2014 c 132 s 1 are each amended to 25 read as follows:
- 26 (1) It is unlawful for any person to operate a vessel in a 27 reckless manner.
 - (2) It is unlawful for a person to operate a vessel while under the influence of intoxicating liquor, ((marijuana)) cannabis, or any drug. A person is considered to be under the influence of intoxicating liquor, ((marijuana)) cannabis, or any drug if, within two hours of operating a vessel:
 - (a) The person has an alcohol concentration of 0.08 or higher as shown by analysis of the person's breath or blood made under RCW 46.61.506; or
- 36 (b) The person has a THC concentration of 5.00 or higher as shown 37 by analysis of the person's blood made under RCW 46.61.506; or
- 38 (c) The person is under the influence of or affected by intoxicating liquor, ((marijuana)) cannabis, or any drug; or

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1 (d) The person is under the combined influence of or affected by intoxicating liquor, ((marijuana)) cannabis, and any drug.

- (3) The fact that any person charged with a violation of this section is or has been entitled to use such drug under the laws of this state shall not constitute a defense against any charge of violating this section.
- (4) (a) Any person who operates a vessel within this state is deemed to have given consent, subject to the provisions of RCW 46.61.506, to a test or tests of the person's breath for the purpose of determining the alcohol concentration in the person's breath if arrested for any offense where, at the time of the arrest, the arresting officer has reasonable grounds to believe the person was operating a vessel while under the influence of intoxicating liquor or a combination of intoxicating liquor and any other drug.
- (b) When an arrest results from an accident in which there has been serious bodily injury to another person or death or the arresting officer has reasonable grounds to believe the person was operating a vessel while under the influence of THC or any other drug, a blood test may be administered with the consent of the arrested person and a valid waiver of the warrant requirement or without the consent of the person so arrested pursuant to a search warrant or when exigent circumstances exist.
- 23 (c) Neither consent nor this section precludes a police officer 24 from obtaining a search warrant for a person's breath or blood.
 - (d) An arresting officer may administer field sobriety tests when circumstances permit.
 - (5) The test or tests of breath must be administered pursuant to RCW 46.20.308. The officer shall warn the person that if the person refuses to take the test, the person will be issued a class 1 civil infraction under RCW 7.80.120.
 - (6) A violation of subsection (1) of this section is a misdemeanor. A violation of subsection (2) of this section is a gross misdemeanor. In addition to the statutory penalties imposed, the court may order the defendant to pay restitution for any damages or injuries resulting from the offense.
- 36 (7) For the purposes of this subsection, "cannabis" has the meaning provided in RCW 69.50.101.
- **Sec. 135.** RCW 82.02.010 and 2014 c 140 s 30 are each amended to read as follows:

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For the purpose of this title, unless the context clearly requires otherwise:

- (1) "Cannabis," "cannabis-infused products," and "useable cannabis" have the meanings provided in RCW 69.50.101;
- (2) "Department" means the department of revenue of the state of Washington;
- $((\frac{(2)}{2}))$ "Director" means the director of the department of revenue of the state of Washington;
- (((3) "Marijuana," "marijuana-infused products," and "useable marijuana" have the same meanings as provided in RCW 69.50.101;))
 - (4) "Taxpayer" includes any individual, group of individuals, corporation, or association liable for any tax or the collection of any tax hereunder, or who engages in any business or performs any act for which a tax is imposed by this title. "Taxpayer" also includes any person liable for any fee or other charge collected by the department under any provision of law, including registration assessments and delinquency fees imposed under RCW 59.30.050; and
- 18 (5) Words in the singular number include the plural and the 19 plural include the singular. Words in one gender include all other 20 genders.
- **Sec. 136.** RCW 82.04.100 and 2014 c 140 s 1 are each amended to 22 read as follows:

"Extractor" means every person who from the person's own land or from the land of another under a right or license granted by lease or contract, either directly or by contracting with others for the necessary labor or mechanical services, for sale or for commercial or industrial use mines, quarries, takes or produces coal, oil, natural gas, ore, stone, sand, gravel, clay, mineral or other natural resource product, or fells, cuts or takes timber, Christmas trees other than plantation Christmas trees, or other natural products, or takes fish, shellfish, or other sea or inland water foods or products. "Extractor" does not include persons performing under contract the necessary labor or mechanical services for others; persons meeting the definition of farmer under RCW 82.04.213; or persons producing ((marijuana)) cannabis.

Sec. 137. RCW 82.04.213 and 2015 3rd sp.s. c 6 s 1102 are each amended to read as follows:

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(1) "Agricultural product" means any product of plant cultivation or animal husbandry including, but not limited to: A product of horticulture, grain cultivation, vermiculture, viticulture, or aquaculture as defined in RCW 15.85.020; plantation Christmas trees; short-rotation hardwoods as defined in RCW 84.33.035; turf; or any animal including but not limited to an animal that is a private sector cultured aquatic product as defined in RCW 15.85.020, or a bird, or insect, or the substances obtained from such an animal including honey bee products. "Agricultural product" does not include ((marijuana)) cannabis, useable ((marijuana, or marijuana-infused)) cannabis, or cannabis-infused products, or animals defined as pet animals under RCW 16.70.020.

- (2) (a) "Farmer" means any person engaged in the business of growing, raising, or producing, upon the person's own lands or upon the lands in which the person has a present right of possession, any agricultural product to be sold, and the growing, raising, or producing honey bee products for sale, or providing bee pollination services, by an eligible apiarist. "Farmer" does not include a person growing, raising, or producing such products for the person's own consumption; a person selling any animal or substance obtained therefrom in connection with the person's business of operating a stockyard or a slaughter or packing house; or a person in respect to the business of taking, cultivating, or raising timber.
- (b) "Eligible apiarist" means a person who owns or keeps one or more bee colonies and who grows, raises, or produces honey bee products for sale at wholesale and is registered under RCW 15.60.021.
- (c) "Honey bee products" means queen honey bees, packaged honey bees, honey, pollen, bees wax, propolis, or other substances obtained from honey bees. "Honey bee products" does not include manufactured substances or articles.
- (3) The terms "agriculture," "farming," "horticulture," "horticultural," and "horticultural product" may not be construed to include or relate to ((marijuana)) cannabis, useable ((marijuana, or marijuana-infused)) cannabis, or cannabis-infused products unless the applicable term is explicitly defined to include ((marijuana)) cannabis, useable ((marijuana, or marijuana-infused)) cannabis, or cannabis-infused products.
- (4) (("Marijuana,")) "Cannabis," "useable ((marijuana," and "marijuana-infused)) cannabis," and "cannabis-infused products" have the same meaning as in RCW 69.50.101.

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1 **Sec. 138.** RCW 82.04.260 and 2020 c 165 s 3 are each amended to 2 read as follows:

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- (1) Upon every person engaging within this state in the business of manufacturing:
- (a) Wheat into flour, barley into pearl barley, soybeans into soybean oil, canola into canola oil, canola meal, or canola by-products, or sunflower seeds into sunflower oil; as to such persons the amount of tax with respect to such business is equal to the value of the flour, pearl barley, oil, canola meal, or canola by-product manufactured, multiplied by the rate of 0.138 percent;
- (b) Beginning July 1, 2025, seafood products that remain in a raw, raw frozen, or raw salted state at the completion of the manufacturing by that person; or selling manufactured seafood products that remain in a raw, raw frozen, or raw salted state at the completion of the manufacturing, to purchasers who transport in the ordinary course of business the goods out of this state; as to such persons the amount of tax with respect to such business is equal to the value of the products manufactured or the gross proceeds derived from such sales, multiplied by the rate of 0.138 percent. Sellers must keep and preserve records for the period required by RCW 82.32.070 establishing that the goods were transported by the purchaser in the ordinary course of business out of this state;
- Except as provided otherwise in (c)(iii) of this subsection, from July 1, 2025, until January 1, 2036, dairy products; or selling dairy products that the person has manufactured to purchasers who either transport in the ordinary course of business the goods out of state or purchasers who use such dairy products as an ingredient or component in the manufacturing of a dairy product; as to such persons the tax imposed is equal to the value of the products manufactured or the gross proceeds derived from such sales multiplied by the rate of 0.138 percent. Sellers must keep and preserve records for the period required by RCW establishing that the goods were transported by the purchaser in the ordinary course of business out of this state or sold to a manufacturer for use as an ingredient or component in the manufacturing of a dairy product.
- 37 (ii) For the purposes of this subsection (1)(c), "dairy products"
 38 means:
- 39 (A) Products, not including any ((marijuana-infused)) cannabis-40 infused product, that as of September 20, 2001, are identified in 21

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1 C.F.R., chapter 1, parts 131, 133, and 135, including by-products 2 from the manufacturing of the dairy products, such as whey and 3 casein; and

- (B) Products comprised of not less than seventy percent dairy products that qualify under (c)(ii)(A) of this subsection, measured by weight or volume.
- (iii) The preferential tax rate provided to taxpayers under this subsection (1)(c) does not apply to sales of dairy products on or after July 1, 2023, where a dairy product is used by the purchaser as an ingredient or component in the manufacturing in Washington of a dairy product;
- (d) (i) Beginning July 1, 2025, fruits or vegetables by canning, preserving, freezing, processing, or dehydrating fresh fruits or vegetables, or selling at wholesale fruits or vegetables manufactured by the seller by canning, preserving, freezing, processing, or dehydrating fresh fruits or vegetables and sold to purchasers who transport in the ordinary course of business the goods out of this state; as to such persons the amount of tax with respect to such business is equal to the value of the products manufactured or the gross proceeds derived from such sales multiplied by the rate of 0.138 percent. Sellers must keep and preserve records for the period required by RCW 82.32.070 establishing that the goods were transported by the purchaser in the ordinary course of business out of this state.
- (ii) For purposes of this subsection (1)(d), "fruits" and "vegetables" do not include ((marijuana)) cannabis, useable ((marijuana, or marijuana-infused)) cannabis, or cannabis-infused products; and
- (e) Wood biomass fuel; as to such persons the amount of tax with respect to the business is equal to the value of wood biomass fuel manufactured, multiplied by the rate of 0.138 percent. For the purposes of this section, "wood biomass fuel" means a liquid or gaseous fuel that is produced from lignocellulosic feedstocks, including wood, forest, or field residue and dedicated energy crops, and that does not include wood treated with chemical preservations such as creosote, pentachlorophenol, or copper-chrome-arsenic.
- (2) Upon every person engaging within this state in the business of splitting or processing dried peas; as to such persons the amount of tax with respect to such business is equal to the value of the peas split or processed, multiplied by the rate of 0.138 percent.

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(3) Upon every nonprofit corporation and nonprofit association engaging within this state in research and development, as to such corporations and associations, the amount of tax with respect to such activities is equal to the gross income derived from such activities multiplied by the rate of 0.484 percent.

- (4) Upon every person engaging within this state in the business of slaughtering, breaking and/or processing perishable meat products and/or selling the same at wholesale only and not at retail; as to such persons the tax imposed is equal to the gross proceeds derived from such sales multiplied by the rate of 0.138 percent.
- (5)(a) Upon every person engaging within this state in the business of acting as a travel agent or tour operator and whose annual taxable amount for the prior calendar year was two hundred fifty thousand dollars or less; as to such persons the amount of the tax with respect to such activities is equal to the gross income derived from such activities multiplied by the rate of 0.275 percent.
- (b) Upon every person engaging within this state in the business of acting as a travel agent or tour operator and whose annual taxable amount for the calendar year was more than two hundred fifty thousand dollars; as to such persons the amount of the tax with respect to such activities is equal to the gross income derived from such activities multiplied by the rate of 0.275 percent through June 30, 2019, and 0.9 percent beginning July 1, 2019.
- (6) Upon every person engaging within this state in business as an international steamship agent, international customs house broker, international freight forwarder, vessel and/or cargo charter broker in foreign commerce, and/or international air cargo agent; as to such persons the amount of the tax with respect to only international activities is equal to the gross income derived from such activities multiplied by the rate of 0.275 percent.
- (7) Upon every person engaging within this state in the business of stevedoring and associated activities pertinent to the movement of goods and commodities in waterborne interstate or foreign commerce; as to such persons the amount of tax with respect to such business is equal to the gross proceeds derived from such activities multiplied by the rate of 0.275 percent. Persons subject to taxation under this subsection are exempt from payment of taxes imposed by chapter 82.16 RCW for that portion of their business subject to taxation under this subsection. Stevedoring and associated activities pertinent to the conduct of goods and commodities in waterborne interstate or foreign

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1 commerce are defined as all activities of a labor, service or transportation nature whereby cargo may be loaded or unloaded to or 2 from vessels or barges, passing over, onto or under a wharf, pier, or 3 similar structure; cargo may be moved to a warehouse or similar 4 holding or storage yard or area to await further movement in import 5 6 or export or may move to a consolidation freight station and be stuffed, unstuffed, containerized, separated or otherwise segregated 7 or aggregated for delivery or loaded on any mode of transportation 8 for delivery to its consignee. Specific activities included in this 9 definition are: Wharfage, handling, loading, unloading, moving of 10 cargo to a convenient place of delivery to the consignee or a 11 12 convenient place for further movement to export mode; documentation services in connection with the receipt, delivery, checking, care, 13 custody and control of cargo required in the transfer of cargo; 14 imported automobile handling prior to delivery to consignee; terminal 15 16 stevedoring and incidental vessel services, including but not limited 17 to plugging and unplugging refrigerator service to containers, 18 trailers, and other refrigerated cargo receptacles, and securing ship 19 hatch covers.

(8) (a) Upon every person engaging within this state in the business of disposing of low-level waste, as defined in RCW ((43.145.010)) 70A.380.010; as to such persons the amount of the tax with respect to such business is equal to the gross income of the business, excluding any fees imposed under chapter ((43.200)) 70A.384 RCW, multiplied by the rate of 3.3 percent.

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- (b) If the gross income of the taxpayer is attributable to activities both within and without this state, the gross income attributable to this state must be determined in accordance with the methods of apportionment required under RCW 82.04.460.
- (9) Upon every person engaging within this state as an insurance producer or title insurance agent licensed under chapter 48.17 RCW or a surplus line broker licensed under chapter 48.15 RCW; as to such persons, the amount of the tax with respect to such licensed activities is equal to the gross income of such business multiplied by the rate of 0.484 percent.
- (10) Upon every person engaging within this state in business as a hospital, as defined in chapter 70.41 RCW, that is operated as a nonprofit corporation or by the state or any of its political subdivisions, as to such persons, the amount of tax with respect to such activities is equal to the gross income of the business

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multiplied by the rate of 0.75 percent through June 30, 1995, and 1.5 percent thereafter.

- (11) (a) Beginning October 1, 2005, upon every person engaging within this state in the business of manufacturing commercial airplanes, or components of such airplanes, or making sales, at retail or wholesale, of commercial airplanes or components of such airplanes, manufactured by the seller, as to such persons the amount of tax with respect to such business is, in the case of manufacturers, equal to the value of the product manufactured and the gross proceeds of sales of the product manufactured, or in the case of processors for hire, equal to the gross income of the business, multiplied by the rate of:
 - (i) 0.4235 percent from October 1, 2005, through June 30, 2007;
- 14 (ii) 0.2904 percent beginning July 1, 2007, through March 31, 15 2020; and
 - (iii) Beginning April 1, 2020, 0.484 percent, subject to any reduction required under (e) of this subsection (11). The tax rate in this subsection (11)(a)(iii) applies to all business activities described in this subsection (11)(a).
 - (b) Beginning July 1, 2008, upon every person who is not eligible to report under the provisions of (a) of this subsection (11) and is engaging within this state in the business of manufacturing tooling specifically designed for use in manufacturing commercial airplanes or components of such airplanes, or making sales, at retail or wholesale, of such tooling manufactured by the seller, as to such persons the amount of tax with respect to such business is, in the case of manufacturers, equal to the value of the product manufactured and the gross proceeds of sales of the product manufactured, or in the case of processors for hire, be equal to the gross income of the business, multiplied by the rate of:
 - (i) 0.2904 percent through March 31, 2020; and
 - (ii) Beginning April 1, 2020, the following rates, which are subject to any reduction required under (e) of this subsection (11):
 - (A) The rate under RCW 82.04.250(1) on the business of making retail sales of tooling specifically designed for use in manufacturing commercial airplanes or components of such airplanes; and
- 38 (B) 0.484 percent on all other business activities described in this subsection (11)(b).

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1 (c) For the purposes of this subsection (11), "commercial airplane" and "component" have the same meanings as provided in RCW 82.32.550.

- (d) (i) In addition to all other requirements under this title, a person reporting under the tax rate provided in this subsection (11) must file a complete annual tax performance report with the department under RCW 82.32.534. However, this requirement does not apply to persons reporting under the tax rate in (a)(iii) of this subsection (11), so long as that rate remains 0.484 percent, or under any of the tax rates in (b)(ii)(A) and (B) of this subsection (11), so long as those tax rates remain the rate imposed pursuant to RCW 82.04.250(1) and 0.484 percent, respectively.
- (ii) Nothing in (d)(i) of this subsection (11) may be construed as affecting the obligation of a person reporting under a tax rate provided in this subsection (11) to file a complete annual tax performance report with the department under RCW 82.32.534: (A) Pursuant to another provision of this title as a result of claiming a tax credit or exemption; or (B) pursuant to (d)(i) of this subsection (11) as a result of claiming the tax rates in (a)(ii) or (b)(i) of this subsection (11) for periods ending before April 1, 2020.
- (e) (i) After March 31, 2021, the tax rates under (a) (iii) and (b) (ii) of this subsection (11) must be reduced to 0.357 percent provided the conditions in RCW 82.04.2602 are met. The effective date of the rates authorized under this subsection (11) (e) must occur on the first day of the next calendar quarter that is at least sixty days after the department receives the last of the two written notices pursuant to RCW 82.04.2602 (3) and (4).
- (ii) Both a significant commercial airplane manufacturer separately and the rest of the aerospace industry as a whole, receiving the rate of 0.357 percent under this subsection (11)(e) are subject to the aerospace apprenticeship utilization rates required under RCW 49.04.220 by April 1, 2026, or five years after the effective date of the 0.357 percent rate authorized under this subsection (11)(e), whichever is later, as determined by the department of labor and industries.
- 36 (iii) The provisions of RCW 82.32.805 and 82.32.808 do not apply 37 to this subsection (11)(e).
- 38 (f)(i) Except as provided in (f)(ii) of this subsection (11), 39 this subsection (11) does not apply on and after July 1, 2040.

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(ii) With respect to the manufacturing of commercial airplanes or making sales, at retail or wholesale, of commercial airplanes, this subsection (11) does not apply on and after July 1st of the year in which the department makes a determination that any final assembly or wing assembly of any version or variant of a commercial airplane that is the basis of a siting of a significant commercial airplane manufacturing program in the state under RCW 82.32.850 has been sited outside the state of Washington. This subsection (11)(f)(ii) only applies to the manufacturing or sale of commercial airplanes that are the basis of a siting of a significant commercial airplane manufacturing program in the state under RCW 82.32.850. This subsection (11)(f)(ii) continues to apply during the time that a person is subject to the tax rate in (a)(iii) of this subsection (11).

- (g) For the purposes of this subsection, "a significant commercial airplane manufacturer" means a manufacturer of commercial airplanes with at least fifty thousand full-time employees in Washington as of January 1, 2021.
- (12) (a) Until July 1, 2045, upon every person engaging within this state in the business of extracting timber or extracting for hire timber; as to such persons the amount of tax with respect to the business is, in the case of extractors, equal to the value of products, including by-products, extracted, or in the case of extractors for hire, equal to the gross income of the business, multiplied by the rate of 0.4235 percent from July 1, 2006, through June 30, 2007, and 0.2904 percent from July 1, 2007, through June 30, 2045.
- (b) Until July 1, 2045, upon every person engaging within this state in the business of manufacturing or processing for hire: (i) Timber into timber products or wood products; (ii) timber products into other timber products or wood products; or (iii) products defined in RCW 19.27.570(1); as to such persons the amount of the tax with respect to the business is, in the case of manufacturers, equal to the value of products, including by-products, manufactured, or in the case of processors for hire, equal to the gross income of the business, multiplied by the rate of 0.4235 percent from July 1, 2006, through June 30, 2007, and 0.2904 percent from July 1, 2007, through June 30, 2045.
- 39 (c) Until July 1, 2045, upon every person engaging within this 40 state in the business of selling at wholesale: (i) Timber extracted

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by that person; (ii) timber products manufactured by that person from timber or other timber products; (iii) wood products manufactured by that person from timber or timber products; or (iv) products defined in RCW 19.27.570(1) manufactured by that person; as to such persons the amount of the tax with respect to the business is equal to the gross proceeds of sales of the timber, timber products, wood products, or products defined in RCW 19.27.570(1) multiplied by the rate of 0.4235 percent from July 1, 2006, through June 30, 2007, and 0.2904 percent from July 1, 2007, through June 30, 2045.

- (d) Until July 1, 2045, upon every person engaging within this state in the business of selling standing timber; as to such persons the amount of the tax with respect to the business is equal to the gross income of the business multiplied by the rate of 0.2904 percent. For purposes of this subsection (12)(d), "selling standing timber" means the sale of timber apart from the land, where the buyer is required to sever the timber within thirty months from the date of the original contract, regardless of the method of payment for the timber and whether title to the timber transfers before, upon, or after severance.
- 20 (e) For purposes of this subsection, the following definitions 21 apply:
 - (i) "Biocomposite surface products" means surface material products containing, by weight or volume, more than fifty percent recycled paper and that also use nonpetroleum-based phenolic resin as a bonding agent.
 - (ii) "Paper and paper products" means products made of interwoven cellulosic fibers held together largely by hydrogen bonding. "Paper and paper products" includes newsprint; office, printing, fine, and pressure-sensitive papers; paper napkins, towels, and toilet tissue; kraft bag, construction, and other kraft industrial papers; paperboard, liquid packaging containers, containerboard, corrugated, and solid-fiber containers including linerboard and corrugated medium; and related types of cellulosic products containing primarily, by weight or volume, cellulosic materials. "Paper and paper products" does not include books, newspapers, magazines, periodicals, and other printed publications, advertising materials, calendars, and similar types of printed materials.
 - (iii) "Recycled paper" means paper and paper products having fifty percent or more of their fiber content that comes from postconsumer waste. For purposes of this subsection (12)(e)(iii),

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- "postconsumer waste" means a finished material that would normally be disposed of as solid waste, having completed its life cycle as a consumer item.
- 4 (iv) "Timber" means forest trees, standing or down, on privately 5 or publicly owned land. "Timber" does not include Christmas trees 6 that are cultivated by agricultural methods or short-rotation 7 hardwoods as defined in RCW 84.33.035.
 - (v) "Timber products" means:

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- 9 (A) Logs, wood chips, sawdust, wood waste, and similar products 10 obtained wholly from the processing of timber, short-rotation 11 hardwoods as defined in RCW 84.33.035, or both;
- 12 (B) Pulp, including market pulp and pulp derived from recovered 13 paper or paper products; and
- 14 (C) Recycled paper, but only when used in the manufacture of biocomposite surface products.
 - (vi) "Wood products" means paper and paper products; dimensional lumber; engineered wood products such as particleboard, oriented strand board, medium density fiberboard, and plywood; wood doors; wood windows; and biocomposite surface products.
 - (f) Except for small harvesters as defined in RCW 84.33.035, a person reporting under the tax rate provided in this subsection (12) must file a complete annual tax performance report with the department under RCW 82.32.534.
 - (g) Nothing in this subsection (12) may be construed to affect the taxation of any activity defined as a retail sale in RCW 82.04.050(2) (b) or (c), defined as a wholesale sale in RCW 82.04.060(2), or taxed under RCW 82.04.280(1)(g).
 - (13) Upon every person engaging within this state in inspecting, testing, labeling, and storing canned salmon owned by another person, as to such persons, the amount of tax with respect to such activities is equal to the gross income derived from such activities multiplied by the rate of 0.484 percent.
- 33 (14)(a) Upon every person engaging within this state in the 34 business of printing a newspaper, publishing a newspaper, or both, 35 the amount of tax on such business is equal to the gross income of 36 the business multiplied by the rate of 0.35 percent until July 1, 2024, and 0.484 percent thereafter.
- 38 (b) A person reporting under the tax rate provided in this 39 subsection (14) must file a complete annual tax performance report 40 with the department under RCW 82.32.534.

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1 **Sec. 139.** RCW 82.04.331 and 2014 c 140 s 8 are each amended to read as follows:

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- (1) This chapter does not apply to amounts received by a person engaging within this state in the business of: (a) Making wholesale sales to farmers of seed conditioned for use in planting and not packaged for retail sale; or (b) conditioning seed for planting owned by others.
- 8 (2) For the purposes of this section, "seed" means seed potatoes
 9 and all other "agricultural seed" as defined in RCW 15.49.011. "Seed"
 10 does not include "flower seeds" or "vegetable seeds" as defined in
 11 RCW 15.49.011, or any other seeds or propagative portions of plants
 12 used to grow ((marijuana)) cannabis, ornamental flowers, or any type
 13 of bush, moss, fern, shrub, or tree.
- 14 **Sec. 140.** RCW 82.04.4266 and 2020 c 139 s 5 are each amended to 15 read as follows:
- 16 (1) This chapter does not apply to the value of products or the 17 gross proceeds of sales derived from:
 - (a) Manufacturing fruits or vegetables by canning, preserving, freezing, processing, or dehydrating fresh fruits or vegetables; or
 - (b) Selling at wholesale fruits or vegetables manufactured by the seller by canning, preserving, freezing, processing, or dehydrating fresh fruits or vegetables and sold to purchasers who transport in the ordinary course of business the goods out of this state. A person taking an exemption under this subsection (1)(b) must keep and preserve records for the period required by RCW 82.32.070 establishing that the goods were transported by the purchaser in the ordinary course of business out of this state.
- 28 (2) For purposes of this section, "fruits" and "vegetables" do
 29 not include ((marijuana)) cannabis, useable ((marijuana, or
 30 marijuana-infused)) cannabis, or cannabis-infused products.
- 31 (3) A person claiming the exemption provided in this section must 32 file a complete annual tax performance report with the department 33 under RCW 82.32.534.
- 34 (4) This section expires July 1, 2025.
- 35 **Sec. 141.** RCW 82.04.756 and 2015 c 70 s 40 are each amended to read as follows:
- 37 (1) This chapter does not apply to any cooperative in respect to growing ((marijuana)) cannabis, or manufacturing ((marijuana))

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- 1 <u>cannabis</u> concentrates, useable ((marijuana, or marijuana-infused))
- 2 <u>cannabis</u>, <u>or cannabis-infused</u> products, as those terms are defined in
- 3 RCW 69.50.101.

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- 4 (2) The tax preference authorized in this section is not subject
- 5 to the provisions of RCW 82.32.805 and 82.32.808.
- 6 **Sec. 142.** RCW 82.08.010 and 2019 c 8 s 105 are each amended to 7 read as follows:
- 8 For the purposes of this chapter:
- 9 (1)(a)(i) "Selling price" includes "sales price." "Sales price" means the total amount of consideration, except separately stated 10 11 trade-in property of like kind, including cash, credit, property, and services, for which tangible personal property, extended warranties, 12 digital goods, digital codes, digital automated services, or other 13 services or anything else defined as a "retail sale" under RCW 14 82.04.050 are sold, leased, or rented, valued in money, whether 15 16 received in money or otherwise. No deduction from the total amount of consideration is allowed for the following: (A) The seller's cost of 17 the property sold; (B) the cost of materials used, labor or service 18 cost, interest, losses, all costs of transportation to the seller, 19 20 all taxes imposed on the seller, and any other expense of the seller; 21 (C) charges by the seller for any services necessary to complete the 22 sale, other than delivery and installation charges; (D) delivery charges; and (E) installation charges. 23
 - (ii) When tangible personal property is rented or leased under circumstances that the consideration paid does not represent a reasonable rental for the use of the articles so rented or leased, the "selling price" must be determined as nearly as possible according to the value of such use at the places of use of similar products of like quality and character under such rules as the department may prescribe;
 - (b) "Selling price" or "sales price" does not include: Discounts, including cash, term, or coupons that are not reimbursed by a third party that are allowed by a seller and taken by a purchaser on a sale; interest, financing, and carrying charges from credit extended on the sale of tangible personal property, extended warranties, digital goods, digital codes, digital automated services, or other services or anything else defined as a retail sale in RCW 82.04.050, if the amount is separately stated on the invoice, bill of sale, or similar document given to the purchaser; and any taxes legally

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- 1 imposed directly on the consumer that are separately stated on the 2 invoice, bill of sale, or similar document given to the purchaser;
- 3 (c) "Selling price" or "sales price" includes consideration 4 received by the seller from a third party if:

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- (i) The seller actually receives consideration from a party other than the purchaser, and the consideration is directly related to a price reduction or discount on the sale;
- (ii) The seller has an obligation to pass the price reduction or discount through to the purchaser;
- (iii) The amount of the consideration attributable to the sale is fixed and determinable by the seller at the time of the sale of the item to the purchaser; and
 - (iv) One of the criteria in this subsection (1)(c)(iv) is met:
- (A) The purchaser presents a coupon, certificate, or other documentation to the seller to claim a price reduction or discount where the coupon, certificate, or documentation is authorized, distributed, or granted by a third party with the understanding that the third party will reimburse any seller to whom the coupon, certificate, or documentation is presented;
- (B) The purchaser identifies himself or herself to the seller as a member of a group or organization entitled to a price reduction or discount, however a "preferred customer" card that is available to any patron does not constitute membership in such a group; or
- (C) The price reduction or discount is identified as a third party price reduction or discount on the invoice received by the purchaser or on a coupon, certificate, or other documentation presented by the purchaser;
- (2)(a)(i) "Seller" means every person, including the state and its departments and institutions, making sales at retail or retail sales to a buyer, purchaser, or consumer, whether as agent, broker, or principal, except as otherwise provided in this subsection (2).
- 32 (ii) "Seller" includes marketplace facilitators, whether making 33 sales in their own right or facilitating sales on behalf of 34 marketplace sellers.
 - (b) (i) "Seller" does not include:
- 36 (A) The state and its departments and institutions when making 37 sales to the state and its departments and institutions; or
- 38 (B) A professional employer organization when a covered employee 39 coemployed with the client under the terms of a professional employer 40 agreement engages in activities that constitute a sale at retail that

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- is subject to the tax imposed by this chapter. In such cases, the client, and not the professional employer organization, is deemed to be the seller and is responsible for collecting and remitting the tax imposed by this chapter.
- 5 (ii) For the purposes of this subsection (2)(b), the terms
 6 "client," "covered employee," "professional employer agreement," and
 7 "professional employer organization" have the same meanings as in RCW
 8 82.04.540;

- (3) "Buyer," "purchaser," and "consumer" include, without limiting the scope hereof, every individual, receiver, assignee, trustee in bankruptcy, trust, estate, firm, copartnership, joint venture, club, company, joint stock company, business trust, corporation, association, society, or any group of individuals acting as a unit, whether mutual, cooperative, fraternal, nonprofit, or otherwise, municipal corporation, quasi municipal corporation, and also the state, its departments and institutions and all political subdivisions thereof, irrespective of the nature of the activities engaged in or functions performed, and also the United States or any instrumentality thereof;
- (4) "Delivery charges" means charges by the seller of personal property or services for preparation and delivery to a location designated by the purchaser of personal property or services including, but not limited to, transportation, shipping, postage, handling, crating, and packing;
- (5) "Direct mail" means printed material delivered or distributed by United States mail or other delivery service to a mass audience or to addressees on a mailing list provided by the purchaser or at the direction of the purchaser when the cost of the items are not billed directly to the recipients. "Direct mail" includes tangible personal property supplied directly or indirectly by the purchaser to the direct mail seller for inclusion in the package containing the printed material. "Direct mail" does not include multiple items of printed material delivered to a single address;
- (6) The meaning attributed in chapter 82.04 RCW to the terms "tax year," "taxable year," "person," "company," "sale," "sale at wholesale," "wholesale," "business," "engaging in business," "cash discount," "successor," "consumer," "in this state," "within this state," (("marijuana,")) "cannabis," "useable ((marijuana," and "marijuana-infused)) cannabis," and "cannabis-infused products" applies equally to the provisions of this chapter;

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(7) For the purposes of the taxes imposed under this chapter and under chapter 82.12 RCW, "tangible personal property" means personal property that can be seen, weighed, measured, felt, or touched, or that is in any other manner perceptible to the senses. Tangible personal property includes electricity, water, gas, steam, and prewritten computer software;

- 7 (8) "Extended warranty" has the same meaning as in RCW 8 82.04.050(7);
 - (9) The definitions in RCW 82.04.192 apply to this chapter;
 - (10) For the purposes of the taxes imposed under this chapter and chapter 82.12 RCW, whenever the terms "property" or "personal property" are used, those terms must be construed to include digital goods and digital codes unless:
 - (a) It is clear from the context that the term "personal property" is intended only to refer to tangible personal property;
 - (b) It is clear from the context that the term "property" is intended only to refer to tangible personal property, real property, or both; or
 - (c) To construe the term "property" or "personal property" as including digital goods and digital codes would yield unlikely, absurd, or strained consequences; and
 - (11) "Retail sale" or "sale at retail" means any sale, lease, or rental for any purpose other than for resale, sublease, or subrent.
 - "horticultural," and "horticultural product" may not be construed to include or relate to ((marijuana)) cannabis, useable ((marijuana, or marijuana-infused)) cannabis, or cannabis-infused products unless the applicable term is explicitly defined to include ((marijuana)) cannabis, useable ((marijuana, or marijuana-infused)) cannabis, or cannabis-infused products.
- 31 (13)(a) "Affiliated person" means a person that, with respect to another person:
 - (i) Has an ownership interest of more than five percent, whether direct or indirect, in the other person; or
 - (ii) Is related to the other person because a third person, or group of third persons who are affiliated persons with respect to each other, holds an ownership interest of more than five percent, whether direct or indirect, in the related persons.
 - (b) For purposes of this subsection (13):

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- 1 (i) "Ownership interest" means the possession of equity in the capital, the stock, or the profits of the other person; and
 - (ii) An indirect ownership interest in a person is an ownership interest in an entity that has an ownership interest in the person or in an entity that has an indirect ownership interest in the person.
 - (14) "Marketplace" means a physical or electronic place, including, but not limited to, a store, a booth, an internet web site, a catalog or a dedicated sales software application, where tangible personal property, digital codes and digital products, or services are offered for sale.
 - (15)(a) "Marketplace facilitator" means a person that:
 - (i) Contracts with sellers to facilitate for consideration, regardless of whether deducted as fees from the transaction, the sale of the seller's products through a marketplace owned or operated by the person;
 - (ii) Engages directly or indirectly, through one or more affiliated persons, in transmitting or otherwise communicating the offer or acceptance between the buyer and seller. For purposes of this subsection, mere advertising does not constitute transmitting or otherwise communicating the offer or acceptance between the buyer and seller; and
- (iii) Engages directly or indirectly, through one or more affiliated persons, in any of the following activities with respect to the seller's products:
 - (A) Payment processing services;
 - (B) Fulfillment or storage services;
 - (C) Listing products for sale;
 - (D) Setting prices;

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- (E) Branding sales as those of the marketplace facilitator;
- (F) Taking orders; or
- 31 (G) Providing customer service or accepting or assisting with 32 returns or exchanges.
 - (b) (i) "Marketplace facilitator" does not include:
- (A) A person who provides internet advertising services, including listing products for sale, so long as the person does not also engage in the activity described in (a)(ii) of this subsection (15) in addition to any of the activities described in (a)(iii) of this subsection (15); or
- 39 (B) A person with respect to the provision of travel agency 40 services or the operation of a marketplace or that portion of a

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- marketplace that enables consumers to purchase transient lodging accommodations in a hotel or other commercial transient lodging facility.
- (ii) The exclusion in this subsection (15) (b) does not apply to a marketplace or that portion of a marketplace that facilitates the retail sale of transient lodging accommodations in homes, apartments, cabins, or other residential dwelling units.
- 8 (iii) For purposes of this subsection (15)(b), the following 9 definitions apply:
 - (A) "Hotel" has the same meaning as in RCW 19.48.010.

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- 11 (B) "Travel agency services" means arranging or booking, for a 12 commission, fee or other consideration, vacation or travel packages, 13 rental car or other travel reservations or accommodations, tickets 14 for domestic or foreign travel by air, rail, ship, bus, or other 15 medium of transportation, or hotel or other lodging accommodations.
- 16 (16) "Marketplace seller" means a seller that makes retail sales 17 through any marketplace operated by a marketplace facilitator, 18 regardless of whether the seller is required to be registered with 19 the department under RCW 82.32.030.
- 20 (17) "Remote seller" means any seller, including a marketplace 21 facilitator, who does not have a physical presence in this state and 22 makes retail sales to purchasers or facilitates retail sales on 23 behalf of marketplace sellers.
- 24 **Sec. 143.** RCW 82.08.020 and 2014 c 140 s 12 are each amended to 25 read as follows:
- 26 (1) There is levied and collected a tax equal to six and five-27 tenths percent of the selling price on each retail sale in this state 28 of:
- 29 (a) Tangible personal property, unless the sale is specifically 30 excluded from the RCW 82.04.050 definition of retail sale;
- 31 (b) Digital goods, digital codes, and digital automated services, 32 if the sale is included within the RCW 82.04.050 definition of retail 33 sale;
- 34 (c) Services, other than digital automated services, included 35 within the RCW 82.04.050 definition of retail sale;
 - (d) Extended warranties to consumers; and
- 37 (e) Anything else, the sale of which is included within the RCW 82.04.050 definition of retail sale.

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- (2) There is levied and collected an additional tax on each retail car rental, regardless of whether the vehicle is licensed in this state, equal to five and nine-tenths percent of the selling price. The revenue collected under this subsection must be deposited in the multimodal transportation account created in RCW 47.66.070.
- (3) Beginning July 1, 2003, there is levied and collected an additional tax of three-tenths of one percent of the selling price on each retail sale of a motor vehicle in this state, other than retail car rentals taxed under subsection (2) of this section. The revenue collected under this subsection must be deposited in the multimodal transportation account created in RCW 47.66.070.
- 12 (4) For purposes of subsection (3) of this section, "motor 13 vehicle" has the meaning provided in RCW 46.04.320, but does not 14 include:
- 15 (a) Farm tractors or farm vehicles as defined in RCW 46.04.180 16 and 46.04.181, unless the farm tractor or farm vehicle is for use in 17 the production of ((marijuana)) cannabis;
 - (b) Off-road vehicles as defined in RCW 46.04.365;
 - (c) Nonhighway vehicles as defined in RCW 46.09.310; and
- 20 (d) Snowmobiles as defined in RCW 46.04.546.

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- (5) Beginning on December 8, 2005, 0.16 percent of the taxes collected under subsection (1) of this section must be dedicated to funding comprehensive performance audits required under RCW 43.09.470. The revenue identified in this subsection must be deposited in the performance audits of government account created in RCW 43.09.475.
- 27 (6) The taxes imposed under this chapter apply to successive 28 retail sales of the same property.
- 29 (7) The rates provided in this section apply to taxes imposed 30 under chapter 82.12 RCW as provided in RCW 82.12.020.
- 31 **Sec. 144.** RCW 82.08.02565 and 2015 3rd sp.s. c 5 s 301 are each 32 amended to read as follows:
 - (1) (a) The tax levied by RCW 82.08.020 does not apply to sales to a manufacturer or processor for hire of machinery and equipment used directly in a manufacturing operation or research and development operation, to sales to a person engaged in testing for a manufacturer or processor for hire of machinery and equipment used directly in a testing operation, or to sales of or charges made for labor and

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services rendered in respect to installing, repairing, cleaning, altering, or improving the machinery and equipment.

- (b) Except as provided in (c) of this subsection, sellers making tax-exempt sales under this section must obtain from the purchaser an exemption certificate in a form and manner prescribed by the department by rule. The seller must retain a copy of the certificate for the seller's files.
- (c)(i) The exemption under this section is in the form of a remittance for a gas distribution business, as defined in RCW 82.16.010, claiming the exemption for machinery and equipment used for the production of compressed natural gas or liquefied natural gas for use as a transportation fuel.
- (ii) A gas distribution business claiming an exemption from state and local tax in the form of a remittance under this section must pay the tax under RCW 82.08.020 and all applicable local sales taxes. Beginning July 1, 2017, the gas distribution business may then apply to the department for remittance of state and local sales and use taxes. A gas distribution business may not apply for a remittance more frequently than once a quarter. The gas distribution business must specify the amount of exempted tax claimed and the qualifying purchases for which the exemption is claimed. The gas distribution business must retain, in adequate detail, records to enable the department to determine whether the business is entitled to an exemption under this section, including: Invoices; proof of tax paid; and documents describing the machinery and equipment.
- (iii) The department must determine eligibility under this section based on the information provided by the gas distribution business, which is subject to audit verification by the department. The department must on a quarterly basis remit exempted amounts to qualifying businesses who submitted applications during the previous quarter.
- (iv) Beginning July 1, 2028, a gas distribution business may not apply for a refund under this section or RCW 82.12.02565.
 - (2) For purposes of this section and RCW 82.12.02565:
 - (a) "Machinery and equipment" means industrial fixtures, devices, and support facilities, and tangible personal property that becomes an ingredient or component thereof, including repair parts and replacement parts. "Machinery and equipment" includes pollution control equipment installed and used in a manufacturing operation, testing operation, or research and development operation to prevent

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- 1 air pollution, water pollution, or contamination that might otherwise
- 2 result from the manufacturing operation, testing operation, or
- 3 research and development operation. "Machinery and equipment" also
- 4 includes digital goods.

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- (b) "Machinery and equipment" does not include:
- 6 (i) Hand-powered tools;
 - (ii) Property with a useful life of less than one year;
- 8 (iii) Buildings, other than machinery and equipment that is 9 permanently affixed to or becomes a physical part of a building; and
- (iv) Building fixtures that are not integral to the manufacturing operation, testing operation, or research and development operation that are permanently affixed to and become a physical part of a building, such as utility systems for heating, ventilation, air conditioning, communications, plumbing, or electrical.
- 15 (c) Machinery and equipment is "used directly" in a manufacturing 16 operation, testing operation, or research and development operation 17 if the machinery and equipment:
 - (i) Acts upon or interacts with an item of tangible personal property;
- 20 (ii) Conveys, transports, handles, or temporarily stores an item 21 of tangible personal property at the manufacturing site or testing 22 site;
- 23 (iii) Controls, guides, measures, verifies, aligns, regulates, or 24 tests tangible personal property at the site or away from the site;
- 25 (iv) Provides physical support for or access to tangible personal 26 property;
 - (v) Produces power for, or lubricates machinery and equipment;
 - (vi) Produces another item of tangible personal property for use in the manufacturing operation, testing operation, or research and development operation;
- (vii) Places tangible personal property in the container, package, or wrapping in which the tangible personal property is normally sold or transported; or
- (viii) Is integral to research and development as defined in RCW 82.63.010.
- 36 (d) "Manufacturer" means a person that qualifies as a 37 manufacturer under RCW 82.04.110. "Manufacturer" also includes a 38 person that:
 - (i) Prints newspapers or other materials; or

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(ii) Is engaged in the development of prewritten computer software that is not transferred to purchasers by means of tangible storage media.

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- (e) "Manufacturing" means only those activities that come within the definition of "to manufacture" in RCW 82.04.120 and are taxed as manufacturing or processing for hire under chapter 82.04 RCW, or would be taxed as such if such activity were conducted in this state or if not for an exemption or deduction. "Manufacturing" also includes printing newspapers or other materials. An activity is not taxed as manufacturing or processing for hire under chapter 82.04 RCW if the activity is within the purview of chapter 82.16 RCW.
- (f) "Manufacturing operation" means the manufacturing of articles, substances, or commodities for sale as tangible personal property. A manufacturing operation begins at the point where the raw materials enter the manufacturing site and ends at the point where the processed material leaves the manufacturing site. With respect to the production of class A or exceptional quality biosolids by a wastewater treatment facility, the manufacturing operation begins at the point where class B biosolids undergo additional processing to achieve class A or exceptional quality standards. Notwithstanding anything to the contrary in this section, the term also includes that portion of a cogeneration project that is used to generate power for consumption within the manufacturing site of which the cogeneration project is an integral part. The term does not include the preparation of food products on the premises of a person selling food products at retail.
- (g) "Cogeneration" means the simultaneous generation of electrical energy and low-grade heat from the same fuel.
- (h) "Research and development operation" means engaging in research and development as defined in RCW 82.63.010 by a manufacturer or processor for hire.
- (i) "Testing" means activities performed to establish or determine the properties, qualities, and limitations of tangible personal property.
- (j) "Testing operation" means the testing of tangible personal property for a manufacturer or processor for hire. A testing operation begins at the point where the tangible personal property enters the testing site and ends at the point where the tangible personal property leaves the testing site. The term also includes the testing of tangible personal property for use in that portion of a

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- cogeneration project that is used to generate power for consumption within the manufacturing site of which the cogeneration project is an integral part. The term does not include the testing of tangible personal property for use in the production of electricity by a light and power business as defined in RCW 82.16.010 or the preparation of food products on the premises of a person selling food products at retail.
 - (3) This section does not apply (a) to sales of machinery and equipment used directly in the manufacturing, research and development, or testing of ((marijuana)) cannabis, useable ((marijuana, or marijuana-infused)) cannabis, or cannabis-infused products, or (b) to sales of or charges made for labor and services rendered in respect to installing, repairing, cleaning, altering, or improving such machinery and equipment.
- 15 (4) The exemptions in this section do not apply to an ineligible 16 person. For purposes of this subsection, the following definitions 17 apply:
 - (a) "Affiliated group" means a group of two or more entities that are either:
 - (i) Affiliated as defined in RCW 82.32.655; or

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- 21 (ii) Permitted to file a consolidated return for federal income 22 tax purposes.
- 23 (b) "Ineligible person" means all members of an affiliated group 24 if all of the following apply:
- 25 (i) At least one member of the affiliated group was registered 26 with the department to do business in Washington state on or before 27 July 1, 1981;
 - (ii) As of August 1, 2015, the combined employment in this state of the affiliated group exceeds forty thousand full-time and part-time employees, based on data reported to the employment security department by the affiliated group; and
- 32 (iii) The business activities of the affiliated group primarily 33 include development, sales, and licensing of computer software and 34 services.
- 35 **Sec. 145.** RCW 82.08.0257 and 2014 c 140 s 15 are each amended to read as follows:
- 37 The tax levied by RCW 82.08.020 does not apply to auction sales 38 made by or through auctioneers of personal property (including 39 household goods) that has been used in conducting a farm activity,

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- when the seller thereof is a farmer as defined in RCW 82.04.213 and the sale is held or conducted upon a farm and not otherwise. The exemption in this section does not apply to personal property used by the seller in the production of ((marijuana)) cannabis, useable ((marijuana, or marijuana-infused)) cannabis, or cannabis-infused products.
- **Sec. 146.** RCW 82.08.0273 and 2019 c 423 s 101 are each amended 8 to read as follows:
 - (1) Subject to the conditions and limitations in this section, an exemption from the tax levied by RCW 82.08.020 in the form of a remittance from the department is provided for sales to nonresidents of this state of tangible personal property, digital goods, and digital codes. The exemption only applies if:
 - (a) The property is for use outside this state;

- (b) The purchaser is a bona fide resident of a province or territory of Canada or a state, territory, or possession of the United States, other than the state of Washington; and
- (i) Such state, possession, territory, or province does not impose, or have imposed on its behalf, a generally applicable retail sales tax, use tax, value added tax, gross receipts tax on retailing activities, or similar generally applicable tax, of three percent or more; or
- (ii) If imposing a tax described in (b)(i) of this subsection, provides an exemption for sales to Washington residents by reason of their residence; and
- (c) The purchaser agrees, when requested, to grant the department of revenue access to such records and other forms of verification at the purchaser's place of residence to assure that such purchases are not first used substantially in the state of Washington.
- (2) Notwithstanding anything to the contrary in this chapter, if parts or other tangible personal property are installed by the seller during the course of repairing, cleaning, altering, or improving motor vehicles, trailers, or campers and the seller makes a separate charge for the tangible personal property, the tax levied by RCW 82.08.020 does not apply to the separately stated charge to a nonresident purchaser for the tangible personal property but only if the seller certifies in writing to the purchaser that the separately stated charge does not exceed either the seller's current publicly stated retail price for the tangible personal property or, if no

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publicly stated retail price is available, the seller's cost for the tangible personal property. However, the exemption provided by this section does not apply if tangible personal property is installed by the seller during the course of repairing, cleaning, altering, or improving motor vehicles, trailers, or campers and the seller makes a single nonitemized charge for providing the tangible personal property and service. All of the provisions in subsections (1) and (3) through (7) of this section apply to this subsection.

- (3) (a) Any person claiming exemption from retail sales tax under the provisions of this section must pay the state and local sales tax to the seller at the time of purchase and then request a remittance from the department in accordance with this subsection and subsection (4) of this section. A request for remittance must include proof of the person's status as a nonresident at the time of the purchase for which a remittance is requested. The request for a remittance must also include any additional information and documentation as required by the department, which may include a description of the item purchased for which a remittance is requested, the sales price of the item, the amount of sales tax paid on the item, the date of the purchase, the name of the seller and the physical address where the sale took place, and copies of sales receipts showing the qualified purchases.
 - (b) Acceptable proof of a nonresident person's status includes one piece of identification such as a valid driver's license from the jurisdiction in which the out-of-state residency is claimed or a valid identification card which has a photograph of the holder and is issued by the out-of-state jurisdiction. Identification under this subsection (3)(b) must show the holder's residential address and have as one of its legal purposes the establishment of residency in that out-of-state jurisdiction.
- (4)(a)(i) Beginning January 1, 2020, through December 31, 2020, a person may request a remittance from the department for state sales taxes paid by the person on qualified retail purchases made in Washington between July 1, 2019, and December 31, 2019.
- (ii) Beginning January 1, 2021, a person may request a remittance from the department during any calendar year for state sales taxes paid by the person on qualified retail purchases made in Washington during the immediately preceding calendar year only. No application may be made with respect to purchases made before the immediately preceding calendar year.

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(b) The remittance request, including proof of nonresident status and any other documentation and information required by the department, must be provided in a form and manner as prescribed by the department. Only one remittance request may be made by a person per calendar year.

- (c) The total amount of a remittance request must be at least twenty-five dollars. The department must deny any request for a remittance that is less than twenty-five dollars.
- (d) The department will examine the applicant's proof of nonresident status and any other documentation and information as required in the application to determine whether the applicant is entitled to a remittance under this section.
- (5) (a) Any person making fraudulent statements to the department, which includes the offer of fraudulent or fraudulently procured identification or fraudulent sales receipts, in order to receive a remittance of retail sales tax is guilty of perjury under chapter 9A.72 RCW and is ineligible to receive any further remittances from the department under this section.
- (b) Any person obtaining a remittance of retail sales tax from the department by providing proof of identification or sales receipts not the person's own, or counterfeit identification or sales receipts is (i) liable for repayment of the remittance, including interest as provided in chapter 82.32 RCW from the date the remittance was transmitted to the person until repaid in full, (ii) liable for a civil penalty equal to the greater of one hundred dollars or the amount of the remittance obtained in violation of this subsection (5)(b), and (iii) ineligible to receive any further remittances from the department under this section.
- (c) Any person assisting another person in obtaining a remittance of retail sales tax in violation of (b) of this subsection is jointly and severally liable for amounts due under (b) of this subsection and is also ineligible to receive any further remittances from the department under this section.
- (6) A person who receives a refund of sales tax from the seller for any reason with respect to a purchase made in this state is not entitled to a remittance for the tax paid on the purchase. A person who receives both a remittance under this section and a refund of sales tax from the seller with respect to the same purchase must immediately repay the remittance to the department. Interest as provided in chapter 82.32 RCW applies to amounts due under this

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- section from the date that the department made the remittance until the amount due under this subsection is paid to the department. A person who receives a remittance with respect to a purchase for which the person had, at the time the person submitted the application for a remittance, already received a refund of sales tax from the seller is also liable for a civil penalty equal to the greater of one hundred dollars or the amount of the remittance obtained in violation of this subsection and is ineligible to receive any further remittances from the department under this section.
 - (7) The exemption provided by this section is only for the state portion of the sales tax. For purposes of this section, the state portion of the sales tax is not reduced by any local sales tax that is deducted or credited against the state sales tax as provided by law.

- 15 (8) The exemption in this section does not apply to sales of ((marijuana)) cannabis, useable ((marijuana, or marijuana-infused))
 17 cannabis, or cannabis-infused products.
- **Sec. 147.** RCW 82.08.02745 and 2014 c 140 s 18 are each amended 19 to read as follows:
 - (1) The tax levied by RCW 82.08.020 does not apply to charges made for labor and services rendered by any person in respect to the constructing, repairing, decorating, or improving of new or existing buildings or other structures used as agricultural employee housing, or to sales of tangible personal property that becomes an ingredient or component of the buildings or other structures during the course of the constructing, repairing, decorating, or improving the buildings or other structures. The exemption is available only if the buyer provides the seller with an exemption certificate in a form and manner prescribed by the department by rule.
 - (2) The exemption provided in this section for agricultural employee housing provided to year-round employees of the agricultural employer, only applies if that housing is built to the current building code for single-family or multifamily dwellings according to the state building code, chapter 19.27 RCW.
 - (3) Any agricultural employee housing built under this section must be used according to this section for at least five consecutive years from the date the housing is approved for occupancy, or the full amount of tax otherwise due is immediately due and payable together with interest, but not penalties, from the date the housing

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- is approved for occupancy until the date of payment. If at any time agricultural employee housing that is not located on agricultural land ceases to be used in the manner specified in subsection (2) of this section, the full amount of tax otherwise due is immediately due and payable with interest, but not penalties, from the date the housing ceases to be used as agricultural employee housing until the date of payment.
 - (4) The exemption provided in this section does not apply to housing built for the occupancy of an employer, family members of an employer, or persons owning stock or shares in a farm partnership or corporation business.

- (5) For purposes of this section and RCW 82.12.02685, the following definitions apply unless the context clearly requires otherwise.
- 15 (a) "Agricultural employee" or "employee" has the same meaning as 16 given in RCW 19.30.010;
 - (b) "Agricultural employer" or "employer" has the same meaning as given in RCW 19.30.010; and
 - (c) "Agricultural employee housing" means all facilities provided by an agricultural employer, housing authority, local government, state or federal agency, nonprofit community or neighborhood-based organization that is exempt from income tax under section 501(c) of the internal revenue code of 1986 (26 U.S.C. Sec. 501(c)), or forprofit provider of housing for housing agricultural employees on a year-round or seasonal basis, including bathing, food handling, hand washing, laundry, and toilet facilities, single-family and multifamily dwelling units and dormitories, and includes labor camps under RCW 70.114A.110. "Agricultural employee housing" does not include:
- 30 (i) Housing regularly provided on a commercial basis to the 31 general public;
 - (ii) Housing provided by a housing authority unless at least eighty percent of the occupants are agricultural employees whose adjusted income is less than fifty percent of median family income, adjusted for household size, for the county where the housing is provided; and
- (iii) Housing provided to agricultural employees providing services related to the growing, raising, or producing of ((marijuana)) cannabis.

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1 **Sec. 148.** RCW 82.08.0281 and 2014 c 140 s 19 are each amended to read as follows:

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- (1) The tax levied by RCW 82.08.020 does not apply to sales of drugs for human use dispensed or to be dispensed to patients, pursuant to a prescription.
- (2) The tax levied by RCW 82.08.020 does not apply to sales of drugs or devices used for family planning purposes, including the prevention of conception, for human use dispensed or to be dispensed to patients, pursuant to a prescription.
- (3) The tax levied by RCW 82.08.020 does not apply to sales of drugs and devices used for family planning purposes, including the prevention of conception, for human use supplied by a family planning clinic that is under contract with the department of health to provide family planning services.
- 15 (4) The following definitions in this subsection apply throughout 16 this section unless the context clearly requires otherwise.
 - (a) "Prescription" means an order, formula, or recipe issued in any form of oral, written, electronic, or other means of transmission by a duly licensed practitioner authorized by the laws of this state to prescribe.
 - (b) "Drug" means a compound, substance, or preparation, and any component of a compound, substance, or preparation, other than food and food ingredients, dietary supplements, ((or)) alcoholic beverages, ((marijuana)) cannabis, useable ((marijuana, or marijuana-infused)) cannabis, or cannabis-infused products:
 - (i) Recognized in the official United States pharmacopoeia, official homeopathic pharmacopoeia of the United States, or official national formulary, or any supplement to any of them; or
- 29 (ii) Intended for use in the diagnosis, cure, mitigation, 30 treatment, or prevention of disease; or
- 31 (iii) Intended to affect the structure or any function of the 32 body.
- 33 (c) "Over-the-counter drug" means a drug that contains a label 34 that identifies the product as a drug required by 21 C.F.R. Sec. 35 201.66, as amended or renumbered on January 1, 2003. The label 36 includes:
 - (i) A "drug facts" panel; or
- (ii) A statement of the "active ingredient(s)" with a list of those ingredients contained in the compound, substance, or preparation.

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- 1 **Sec. 149.** RCW 82.08.0288 and 2014 c 140 s 20 are each amended to read as follows:
- 3 The tax levied by RCW 82.08.020 does not apply to the lease of 4 irrigation equipment if:
- 5 (1) The irrigation equipment was purchased by the lessor for the purpose of irrigating land controlled by the lessor;
- 7 (2) The lessor has paid tax under RCW 82.08.020 or 82.12.020 in 8 respect to the irrigation equipment;
- 9 (3) The irrigation equipment is attached to the land in whole or 10 in part;
- 11 (4) The irrigation equipment is not used in the production of 12 ((marijuana)) cannabis; and
- 13 (5) The irrigation equipment is leased to the lessee as an incidental part of the lease of the underlying land to the lessee and 15 is used solely on such land.
- 16 **Sec. 150.** RCW 82.08.0293 and 2019 c 8 s 401 are each amended to read as follows:

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- (1) The tax levied by RCW 82.08.020 does not apply to sales of food and food ingredients. "Food and food ingredients" means substances, whether in liquid, concentrated, solid, frozen, dried, or dehydrated form, that are sold for ingestion or chewing by humans and are consumed for their taste or nutritional value. "Food and food ingredients" does not include:
- (a) "Alcoholic beverages," which means beverages that are suitable for human consumption and contain one-half of one percent or more of alcohol by volume;
 - (b) "Tobacco," which means cigarettes, cigars, chewing or pipe tobacco, or any other item that contains tobacco; and
- 29 (c) ((Marijuana)) <u>Cannabis</u>, useable ((marijuana, or marijuana-30 <u>infused</u>)) <u>cannabis</u>, or <u>cannabis</u>-infused products.
 - (2) The exemption of "food and food ingredients" provided for in subsection (1) of this section does not apply to prepared food, soft drinks, bottled water, or dietary supplements. The definitions in this subsection apply throughout this section unless the context clearly requires otherwise.
- 36 (a) "Bottled water" means water that is placed in a safety sealed 37 container or package for human consumption. Bottled water is calorie 38 free and does not contain sweeteners or other additives except that 39 it may contain: (i) Antimicrobial agents; (ii) fluoride; (iii)

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- 1 carbonation; (iv) vitamins, minerals, and electrolytes; (v) oxygen;
- 2 (vi) preservatives; and (vii) only those flavors, extracts, or
- 3 essences derived from a spice or fruit. "Bottled water" includes
- $4\,$ $\,$ water that is delivered to the buyer in a reusable container that is
- 5 not sold with the water.
- 6 (b) "Dietary supplement" means any product, other than tobacco, 7 intended to supplement the diet that:
 - (i) Contains one or more of the following dietary ingredients:
- 9 (A) A vitamin;

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- 10 (B) A mineral;
 - (C) An herb or other botanical;
- 12 (D) An amino acid;
- 13 (E) A dietary substance for use by humans to supplement the diet 14 by increasing the total dietary intake; or
- 15 (F) A concentrate, metabolite, constituent, extract, or 16 combination of any ingredient described in this subsection;
- 17 (ii) Is intended for ingestion in tablet, capsule, powder, 18 softgel, gelcap, or liquid form, or if not intended for ingestion in 19 such form, is not represented as conventional food and is not 20 represented for use as a sole item of a meal or of the diet; and
- (iii) Is required to be labeled as a dietary supplement, identifiable by the "supplement facts" box found on the label as required pursuant to 21 C.F.R. Sec. 101.36, as amended or renumbered as of January 1, 2003.
 - (c)(i) "Prepared food" means:
 - (A) Food sold in a heated state or heated by the seller;
- 27 (B) Food sold with eating utensils provided by the seller, 28 including plates, knives, forks, spoons, glasses, cups, napkins, or 29 straws. A plate does not include a container or packaging used to 30 transport the food; or
- 31 (C) Two or more food ingredients mixed or combined by the seller 32 for sale as a single item, except:
- 33 (I) Food that is only cut, repackaged, or pasteurized by the 34 seller; or
- 35 (II) Raw eggs, fish, meat, poultry, and foods containing these 36 raw animal foods requiring cooking by the consumer as recommended by 37 the federal food and drug administration in chapter 3, part 401.11 of 38 The Food Code, published by the food and drug administration, as 39 amended or renumbered as of January 1, 2003, so as to prevent 40 foodborne illness.

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1 (ii) Food is "sold with eating utensils provided by the seller" 2 if:

- (A) The seller's customary practice for that item is to physically deliver or hand a utensil to the customer with the food or food ingredient as part of the sales transaction. If the food or food ingredient is prepackaged with a utensil, the seller is considered to have physically delivered a utensil to the customer unless the food and utensil are prepackaged together by a food manufacturer classified under sector 311 of the North American industry classification system (NAICS);
- (B) A plate, glass, cup, or bowl is necessary to receive the food or food ingredient, and the seller makes those utensils available to its customers; or
- (C) (I) The seller makes utensils available to its customers, and the seller has more than seventy-five percent prepared food sales. For purposes of this subsection (2)(c)(ii)(C), a seller has more than seventy-five percent prepared food sales if the seller's gross retail sales of prepared food under (c)(i)(A), (c)(i)(C), and (c)(ii)(B) of this subsection equal more than seventy-five percent of the seller's gross retail sales of all food and food ingredients, including prepared food, soft drinks, and dietary supplements.
- (II) However, even if a seller has more than seventy-five percent prepared food sales, four servings or more of food or food ingredients packaged for sale as a single item and sold for a single price are not "sold with utensils provided by the seller" unless the seller's customary practice for the package is to physically hand or otherwise deliver a utensil to the customer as part of the sales transaction. Whenever available, the number of servings included in a package of food or food ingredients must be determined based on the manufacturer's product label. If no label is available, the seller must reasonably determine the number of servings.
- (III) The seller must determine a single prepared food sales percentage annually for all the seller's establishments in the state based on the prior year of sales. The seller may elect to determine its prepared food sales percentage based either on the prior calendar year or on the prior fiscal year. A seller may not change its elected method for determining its prepared food percentage without the written consent of the department. The seller must determine its annual prepared food sales percentage as soon as possible after accounting records are available, but in no event later than ninety

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days after the beginning of the seller's calendar or fiscal year. A 1 seller may make a good faith estimate of its first annual prepared 2 food sales percentage if the seller's records for the prior year are 3 not sufficient to allow the seller to calculate the prepared food 4 sales percentage. The seller must adjust its good faith estimate 5 6 prospectively if its relative sales of prepared foods in the first 7 ninety days of operation materially depart from the seller's 8 estimate.

- 9 (iii) "Prepared food" does not include the following items, if 10 sold without eating utensils provided by the seller:
- 11 (A) Food sold by a seller whose proper primary NAICS
 12 classification is manufacturing in sector 311, except subsector 3118
 13 (bakeries), as provided in the "North American industry
 14 classification system—United States, 2002";
- 15 (B) Food sold in an unheated state by weight or volume as a 16 single item; or

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- (C) Bakery items. The term "bakery items" includes bread, rolls, buns, biscuits, bagels, croissants, pastries, donuts, Danish, cakes, tortes, pies, tarts, muffins, bars, cookies, or tortillas.
- (d) "Soft drinks" means nonalcoholic beverages that contain natural or artificial sweeteners. Soft drinks do not include beverages that contain: Milk or milk products; soy, rice, or similar milk substitutes; or greater than fifty percent of vegetable or fruit juice by volume.
- (3) Notwithstanding anything in this section to the contrary, the exemption of "food and food ingredients" provided in this section applies to food and food ingredients that are furnished, prepared, or served as meals:
- (a) Under a state administered nutrition program for the aged as provided for in the older Americans act (P.L. 95-478 Title III) and RCW 74.38.040(6);
- (b) That are provided to senior citizens, individuals with disabilities, or low-income persons by a not-for-profit organization organized under chapter 24.03 or 24.12 RCW; or
- (c) That are provided to residents, sixty-two years of age or older, of a qualified low-income senior housing facility by the lessor or operator of the facility. The sale of a meal that is billed to both spouses of a marital community or both domestic partners of a domestic partnership meets the age requirement in this subsection (3)(c) if at least one of the spouses or domestic partners is at

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1 least sixty-two years of age. For purposes of this subsection,
2 "qualified low-income senior housing facility" means a facility:

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- (i) That meets the definition of a qualified low-income housing project under 26 U.S.C. Sec. 42 of the federal internal revenue code, as existing on August 1, 2009;
- 6 (ii) That has been partially funded under 42 U.S.C. Sec. 1485; and
- 8 (iii) For which the lessor or operator has at any time been 9 entitled to claim a federal income tax credit under 26 U.S.C. Sec. 42 10 of the federal internal revenue code.
 - (4) (a) Subsection (1) of this section notwithstanding, the retail sale of food and food ingredients is subject to sales tax under RCW 82.08.020 if the food and food ingredients are sold through a vending machine. Except as provided in (b) of this subsection, the selling price of food and food ingredients sold through a vending machine for purposes of RCW 82.08.020 is fifty-seven percent of the gross receipts.
- 18 (b) For soft drinks, bottled water, and hot prepared food and food ingredients, other than food and food ingredients which are 20 heated after they have been dispensed from the vending machine, the 21 selling price is the total gross receipts of such sales divided by 22 the sum of one plus the sales tax rate expressed as a decimal.
- (c) For tax collected under this subsection (4), the requirements that the tax be collected from the buyer and that the amount of tax be stated as a separate item are waived.
- 26 **Sec. 151.** RCW 82.08.820 and 2014 c 140 s 23 are each amended to read as follows:
 - (1) Wholesalers or third-party warehousers who own or operate warehouses or grain elevators and retailers who own or operate distribution centers, and who have paid the tax levied by RCW 82.08.020 on:
- 32 (a) Material-handling and racking equipment, and labor and 33 services rendered in respect to installing, repairing, cleaning, 34 altering, or improving the equipment; or
- 35 (b) Construction of a warehouse or grain elevator, including 36 materials, and including service and labor costs,
- are eligible for an exemption in the form of a remittance. The amount of the remittance is computed under subsection (3) of this section and is based on the state share of sales tax.

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(2) For purposes of this section and RCW 82.12.820:

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- 2 (a) "Agricultural products" has the meaning given in RCW 82.04.213;
- 4 (b) "Construction" means the actual construction of a warehouse or grain elevator that did not exist before the construction began.
 6 "Construction" includes expansion if the expansion adds at least two hundred thousand square feet of additional space to an existing warehouse or additional storage capacity of at least one million bushels to an existing grain elevator. "Construction" does not include renovation, remodeling, or repair;
 - (c) "Department" means the department of revenue;
 - (d) "Distribution center" means a warehouse that is used exclusively by a retailer solely for the storage and distribution of finished goods to retail outlets of the retailer. "Distribution center" does not include a warehouse at which retail sales occur;
- 16 (e) "Finished goods" means tangible personal property intended 17 for sale by a retailer or wholesaler. "Finished goods" does not 18 include:
 - (i) Agricultural products stored by wholesalers, third-party warehouses, or retailers if the storage takes place on the land of the person who produced the agricultural product;
- 22 (ii) Logs, minerals, petroleum, gas, or other extracted products 23 stored as raw materials or in bulk; or
- 24 (iii) ((Marijuana)) <u>Cannabis</u>, useable ((marijuana, or marijuana-25 <u>infused</u>)) <u>cannabis</u>, or <u>cannabis</u>-infused products;
- 26 (f) "Grain elevator" means a structure used for storage and 27 handling of grain in bulk;
 - (g) "Material-handling equipment and racking equipment" means equipment in a warehouse or grain elevator that is primarily used to handle, store, organize, convey, package, or repackage finished goods. The term includes tangible personal property with a useful life of one year or more that becomes an ingredient or component of the equipment, including repair and replacement parts. The term does not include equipment in offices, lunchrooms, restrooms, and other like space, within a warehouse or grain elevator, or equipment used for nonwarehousing purposes. "Material-handling equipment" includes but is not limited to: Conveyers, carousels, lifts, positioners, pick-up-and-place units, cranes, hoists, mechanical arms, and robots; mechanized systems, including containers that are an integral part of the system, whose purpose is to lift or move tangible personal

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- property; and automated handling, storage, and retrieval systems, including computers that control them, whose purpose is to lift or move tangible personal property; and forklifts and other off-the-road vehicles that are used to lift or move tangible personal property and that cannot be operated legally on roads and streets. "Racking equipment" includes, but is not limited to, conveying systems, chutes, shelves, racks, bins, drawers, pallets, and other containers and storage devices that form a necessary part of the storage system;
 - (h) "Person" has the meaning given in RCW 82.04.030;

- (i) "Retailer" means a person who makes "sales at retail" as defined in chapter 82.04 RCW of tangible personal property;
- (j) "Square footage" means the product of the two horizontal dimensions of each floor of a specific warehouse. The entire footprint of the warehouse must be measured in calculating the square footage, including space that juts out from the building profile such as loading docks. "Square footage" does not mean the aggregate of the square footage of more than one warehouse at a location or the aggregate of the square footage of warehouses at more than one location;
- 20 (k) "Third-party warehouser" means a person taxable under RCW 21 82.04.280(1)(d);
 - (1) "Warehouse" means an enclosed building or structure in which finished goods are stored. A warehouse building or structure may have more than one storage room and more than one floor. Office space, lunchrooms, restrooms, and other space within the warehouse and necessary for the operation of the warehouse are considered part of the warehouse as are loading docks and other such space attached to the building and used for handling of finished goods. Landscaping and parking lots are not considered part of the warehouse. A storage yard is not a warehouse, nor is a building in which manufacturing takes place; and
 - (m) "Wholesaler" means a person who makes "sales at wholesale" as defined in chapter 82.04 RCW of tangible personal property, but "wholesaler" does not include a person who makes sales exempt under RCW 82.04.330.
 - (3) (a) A person claiming an exemption from state tax in the form of a remittance under this section must pay the tax imposed by RCW 82.08.020. The buyer may then apply to the department for remittance of all or part of the tax paid under RCW 82.08.020. For grain elevators with bushel capacity of one million but less than two

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million, the remittance is equal to fifty percent of the amount of tax paid. For warehouses with square footage of two hundred thousand or more and for grain elevators with bushel capacity of two million or more, the remittance is equal to one hundred percent of the amount of tax paid for qualifying construction, materials, service, and labor, and fifty percent of the amount of tax paid for qualifying material-handling equipment and racking equipment, and labor and services rendered in respect to installing, repairing, cleaning, altering, or improving the equipment.

- (b) The department must determine eligibility under this section based on information provided by the buyer and through audit and other administrative records. The buyer must on a quarterly basis submit an information sheet, in a form and manner as required by the department by rule, specifying the amount of exempted tax claimed and the qualifying purchases or acquisitions for which the exemption is claimed. The buyer must retain, in adequate detail to enable the department to determine whether the equipment or construction meets the criteria under this section: Invoices; proof of tax paid; documents describing the material-handling equipment and racking equipment; location and size of warehouses and grain elevators; and construction invoices and documents.
- (c) The department must on a quarterly basis remit exempted amounts to qualifying persons who submitted applications during the previous quarter.
 - (4) Warehouses, grain elevators, and material-handling equipment and racking equipment for which an exemption, credit, or deferral has been or is being received under chapter 82.60, 82.62, or 82.63 RCW or RCW 82.08.02565 or 82.12.02565 are not eligible for any remittance under this section. Warehouses and grain elevators upon which construction was initiated before May 20, 1997, are not eligible for a remittance under this section.
 - (5) The lessor or owner of a warehouse or grain elevator is not eligible for a remittance under this section unless the underlying ownership of the warehouse or grain elevator and the material-handling equipment and racking equipment vests exclusively in the same person, or unless the lessor by written contract agrees to pass the economic benefit of the remittance to the lessee in the form of reduced rent payments.

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- 1 Sec. 152. RCW 82.08.9997 and 2015 c 207 s 4 are each amended to 2 read as follows:
- 3 The taxes imposed by this chapter do not apply to the retail sale of ((marijuana)) cannabis, useable ((marijuana, marijuana)) cannabis, 4
- <u>cannabis</u> concentrates, and ((marijuana-infused)) <u>cannabis-infused</u> 5
- 6 products covered by an agreement entered into under RCW 43.06.490.
- (("Marijuana,")) "Cannabis," "useable ((marijuana," "marijuana)) 7
- cannabis," "cannabis concentrates," and (("marijuana-infused)) 8
- "cannabis-infused products" have the same meaning as defined in RCW 9
- 69.50.101. 10

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- 11 Sec. 153. RCW 82.08.9998 and 2019 c 393 s 4 are each amended to read as follows: 12
- (1) The tax levied by RCW 82.08.020 does not apply to: 13
- Sales of ((marijuana)) cannabis concentrates, useable 14 15 ((marijuana, or marijuana-infused)) cannabis, or cannabis-infused 16 products, identified by the department of health in rules adopted 17 under RCW 69.50.375(4) in chapter 246-70 WAC as being a compliant ((marijuana)) cannabis product, by ((marijuana)) cannabis retailers 18 with medical ((marijuana)) cannabis endorsements to qualifying 19 patients or designated providers who have been issued recognition 20 21 cards;
 - (b) Sales of products containing THC with a THC concentration of 0.3 percent or less to qualifying patients or designated providers who have been issued recognition cards by ((marijuana)) cannabis retailers with medical ((marijuana)) cannabis endorsements;
 - (c) Sales of ((marijuana)) cannabis concentrates, useable ((marijuana, or marijuana-infused)) cannabis, or cannabis-infused products, identified by the department of health under RCW 69.50.375 to have a low THC, high CBD ratio, and to be beneficial for medical use, by ((marijuana)) cannabis retailers with medical ((marijuana)) cannabis endorsements, to any person;
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- (d) Sales of topical, noningestible products containing THC with THC concentration of 0.3 percent or less by health care 33 professionals under RCW 69.51A.280; 34
- 35 (e) (i) ((Marijuana, marijuana)) <u>Cannabis</u>, <u>cannabis</u> concentrates, useable ((marijuana, marijuana-infused)) cannabis, cannabis-infused 36 products, or products containing THC with a THC concentration of 0.3 37 38 percent or less produced by a cooperative and provided to its members; and 39

p. 247 HB 1210 (ii) Any nonmonetary resources and labor contributed by an individual member of the cooperative in which the individual is a member. However, nothing in this subsection (1)(e) may be construed to exempt the individual members of a cooperative from the tax imposed in RCW 82.08.020 on any purchase of property or services contributed to the cooperative.

- (2) Each seller making exempt sales under subsection (1) of this section must maintain information establishing eligibility for the exemption in the form and manner required by the department.
- (3) The department must provide a separate tax reporting line for exemption amounts claimed under this section.
- (4) The definitions in this subsection apply throughout this section unless the context clearly requires otherwise.
- 14 (a) "Cooperative" means a cooperative authorized by and operating 15 in compliance with RCW 69.51A.250.
 - (b) (("Marijuana)) "Cannabis retailer with a medical ((marijuana)) cannabis endorsement" means a ((marijuana)) cannabis retailer permitted under RCW 69.50.375 to sell ((marijuana)) cannabis for medical use to qualifying patients and designated providers.
 - (c) "Products containing THC with a THC concentration of 0.3 percent or less" means all products containing THC with a THC concentration not exceeding 0.3 percent and that, when used as intended, are inhalable, ingestible, or absorbable.
 - (d) "THC concentration," (("marijuana," "marijuana)) "cannabis," "cannabis concentrates," "useable ((marijuana," "marijuana)) cannabis," "cannabis retailer," and (("marijuana-infused)) "cannabis-infused products" have the same meanings as provided in RCW 69.50.101 and the terms "qualifying patients," "designated providers," and "recognition card" have the same meaning as provided in RCW 69.51A.010.
 - **Sec. 154.** RCW 82.12.02565 and 2015 3rd sp.s. c 5 s 302 are each amended to read as follows:
 - (1) The provisions of this chapter do not apply in respect to the use by a manufacturer or processor for hire of machinery and equipment used directly in a manufacturing operation or research and development operation, to the use by a person engaged in testing for a manufacturer or processor for hire of machinery and equipment used directly in a testing operation, or to the use of labor and services

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- rendered in respect to installing, repairing, cleaning, altering, or improving the machinery and equipment.
- 3 (2) The definitions, conditions, and requirements in RCW 82.08.02565 apply to this section.
- (3) This section does not apply to the use of (a) machinery and 5 6 equipment used directly in the manufacturing, research 7 development, or testing of ((marijuana)) cannabis, useable ((marijuana, or marijuana-infused)) cannabis, or cannabis-infused 8 labor and services rendered 9 products, or (b) in respect to installing, repairing, cleaning, altering, or improving such 10 11 machinery and equipment.
- 12 (4) The exemptions in this section do not apply to an ineligible 13 person as defined in RCW 82.08.02565.
- 14 **Sec. 155.** RCW 82.12.0258 and 2014 c 140 s 16 are each amended to 15 read as follows:
- 16 The provisions of this chapter do not apply in respect to the use 17 of personal property (including household goods) that has been used 18 in conducting a farm activity, if such property was purchased from a farmer as defined in RCW 82.04.213 at an auction sale held or 19 conducted by an auctioneer upon a farm and not otherwise. The 20 21 exemption in this section does not apply to personal property used by 22 the seller in the production of ((marijuana)) cannabis, useable ((marijuana, or marijuana-infused)) cannabis, or cannabis-infused 23 24 products.
- 25 **Sec. 156.** RCW 82.12.0283 and 2014 c 140 s 21 are each amended to 26 read as follows:
- The provisions of this chapter do not apply to the use of irrigation equipment if:
- 29 (1) The irrigation equipment was purchased by the lessor for the 30 purpose of irrigating land controlled by the lessor;
- 31 (2) The lessor has paid tax under RCW 82.08.020 or 82.12.020 in 32 respect to the irrigation equipment;
- 33 (3) The irrigation equipment is attached to the land in whole or 34 in part;
- 35 (4) The irrigation equipment is not used in the production of ((marijuana)) cannabis; and

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- 1 (5) The irrigation equipment is leased to the lessee as an 2 incidental part of the lease of the underlying land to the lessee and 3 is used solely on such land.
- 4 **Sec. 157.** RCW 82.12.9997 and 2015 c 207 s 5 are each amended to read as follows:
- The taxes imposed by this chapter do not apply to the use of ((marijuana)) cannabis, useable ((marijuana, marijuana)) cannabis,
- 8 <u>cannabis</u> concentrates, and ((marijuana-infused)) <u>cannabis-infused</u>
- 9 products covered by an agreement entered into under RCW 43.06.490.
- 10 (("Marijuana,")) "Cannabis," "useable ((marijuana," "marijuana))
- 11 <u>cannabis," "cannabis</u> concentrates," and (("marijuana-infused))
- 12 <u>"cannabis-infused</u> products" have the same meaning as defined in RCW
- 13 69.50.101.

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- 14 **Sec. 158.** RCW 82.12.9998 and 2019 c 393 s 5 are each amended to 15 read as follows:
 - (1) The provisions of this chapter do not apply to:
 - (a) The use of ((marijuana)) cannabis concentrates, useable ((marijuana, or marijuana-infused)) cannabis, or cannabis-infused products, identified by the department of health in rules adopted under RCW 69.50.375(4) in chapter 246-70 WAC as being a compliant ((marijuana)) cannabis product, by qualifying patients or designated providers who have been issued recognition cards and have obtained such products from a ((marijuana)) cannabis endorsement.
 - (b) The use of products containing THC with a THC concentration of 0.3 percent or less by qualifying patients or designated providers who have been issued recognition cards and have obtained such products from a ((marijuana)) cannabis retailer with a medical ((marijuana)) cannabis endorsement.
 - (c)(i) ((Marijuana)) <u>Cannabis</u> retailers with a medical
 ((marijuana)) <u>cannabis</u> endorsement with respect to:
- 32 (A) ((Marijuana)) <u>Cannabis</u> concentrates, useable ((marijuana, or 33 marijuana-infused)) <u>cannabis</u>, or <u>cannabis-infused</u> products; or
- 34 (B) Products containing THC with a THC concentration of 0.3 percent or less;
- (ii) The exemption in this subsection (1)(c) applies only if such products are provided at no charge to a qualifying patient or designated provider who has been issued a recognition card. Each such

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- retailer providing such products at no charge must maintain information establishing eligibility for this exemption in the form and manner required by the department.
 - (d) The use of ((marijuana)) cannabis concentrates, useable ((marijuana, or marijuana-infused)) cannabis, or cannabis-infused products, identified by the department of health under RCW 69.50.375 to have a low THC, high CBD ratio, and to be beneficial for medical use, purchased from ((marijuana)) cannabis retailers with a medical ((marijuana)) cannabis endorsement.
 - (e) Health care professionals with respect to the use of products containing THC with a THC concentration of 0.3 percent or less provided at no charge by the health care professionals under RCW 69.51A.280. Each health care professional providing such products at no charge must maintain information establishing eligibility for this exemption in the form and manner required by the department.
- (f) The use of topical, noningestible products containing THC with a THC concentration of 0.3 percent or less by qualifying patients when purchased from or provided at no charge by a health care professional under RCW 69.51A.280.
 - (g) The use of:

- (i) ((Marijuana, marijuana)) <u>Cannabis</u>, <u>cannabis</u> concentrates, useable ((marijuana, marijuana-infused)) <u>cannabis</u>, <u>cannabis-infused</u> products, or products containing THC with a THC concentration of 0.3 percent or less, by a cooperative and its members, when produced by the cooperative; and
- (ii) Any nonmonetary resources and labor by a cooperative when contributed by its members. However, nothing in this subsection (1)(g) may be construed to exempt the individual members of a cooperative from the tax imposed in RCW 82.12.020 on the use of any property or services purchased by the member and contributed to the cooperative.
 - (2) The definitions in RCW 82.08.9998 apply to this section.
- **Sec. 159.** RCW 82.14.430 and 2014 c 140 s 24 are each amended to read as follows:
 - (1) If approved by the majority of the voters within its boundaries voting on the ballot proposition, a regional transportation investment district may impose a sales and use tax of up to 0.1 percent of the selling price or value of the article used in the case of a use tax. The tax authorized by this section is in

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addition to the tax authorized by RCW 82.14.030 and must be collected from those persons who are taxable by the state under chapters 82.08 and 82.12 RCW upon the occurrence of any taxable event within the taxing district. Motor vehicles are exempt from the sales and use tax imposed under this subsection.

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- 6 If approved by the majority of the voters within its 7 boundaries voting on the ballot proposition, a regional transportation investment district may impose a tax on the use of a 8 motor vehicle within a regional transportation investment district. 9 The tax applies to those persons who reside within the regional 10 transportation investment district. The rate of the tax may not 11 12 exceed 0.1 percent of the value of the motor vehicle. The tax authorized by this subsection is in addition to the tax authorized 13 under RCW 82.14.030 and must be imposed and collected at the time a 14 taxable event under RCW 82.08.020(1) or 82.12.020 takes place. All 15 16 revenue received under this subsection must be deposited in the local 17 and use tax account and distributed to the transportation investment district according to RCW 82.14.050. The 18 following provisions apply to the use tax in this subsection: 19
- 20 (a) Where persons are taxable under chapter 82.08 RCW, the seller 21 must collect the use tax from the buyer using the collection 22 provisions of RCW 82.08.050.
- 23 (b) Where persons are taxable under chapter 82.12 RCW, the use 24 tax must be collected using the provisions of RCW 82.12.045.
- (c) "Motor vehicle" has the meaning provided in RCW 46.04.320, but does not include:
- (i) Farm tractors or farm vehicles as defined in RCW 46.04.180 and 46.04.181, unless the farm tractor or farm vehicle is for use in the production of ((marijuana)) cannabis;
 - (ii) Off-road vehicles as defined in RCW 46.04.365;
- 31 (iii) Nonhighway vehicles as defined in RCW 46.09.310; and
 - (iv) Snowmobiles as defined in RCW 46.04.546.
- 33 (d) "Person" has the meaning given in RCW 82.04.030.
- 34 (e) The value of a motor vehicle must be determined under RCW 35 82.12.010.

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- 1 (3) In addition to fulfilling the notice requirements under RCW 82.14.055(1), and unless waived by the department, a regional transportation investment district must provide the department of revenue with digital mapping and legal descriptions of areas in which the tax will be collected.
- **Sec. 160.** RCW 82.16.050 and 2014 c 140 s 25 are each amended to read as follows:
- 8 In computing tax there may be deducted from the gross income the 9 following items:

- (1) Amounts derived by municipally owned or operated public service businesses, directly from taxes levied for the support or maintenance thereof. This subsection may not be construed to exempt service charges which are spread on the property tax rolls and collected as taxes;
 - (2) Amounts derived from the sale of commodities to persons in the same public service business as the seller, for resale as such within this state. This deduction is allowed only with respect to water distribution, gas distribution or other public service businesses which furnish water, gas or any other commodity in the performance of public service businesses;
 - (3) Amounts actually paid by a taxpayer to another person taxable under this chapter as the latter's portion of the consideration due for services furnished jointly by both, if the total amount has been credited to and appears in the gross income reported for tax by the former;
- 26 (4) The amount of cash discount actually taken by the purchaser 27 or customer;
 - (5) The amount of bad debts, as that term is used in 26 U.S.C. Sec. 166, as amended or renumbered as of January 1, 2003, on which tax was previously paid under this chapter;
 - (6) Amounts derived from business which the state is prohibited from taxing under the Constitution of this state or the Constitution or laws of the United States;
 - (7) Amounts derived from the distribution of water through an irrigation system, for irrigation purposes other than the irrigation of ((marijuana)) cannabis as defined under RCW 69.50.101;
- 37 (8) Amounts derived from the transportation of commodities from 38 points of origin in this state to final destination outside this 39 state, or from points of origin outside this state to final

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destination in this state, with respect to which the carrier grants to the shipper the privilege of stopping the shipment in transit at some point in this state for the purpose of storing, manufacturing, milling, or other processing, and thereafter forwards the same commodity, or its equivalent, in the same or converted form, under a through freight rate from point of origin to final destination;

- (9) Amounts derived from the transportation of commodities from points of origin in the state to an export elevator, wharf, dock or ship side on tidewater or its navigable tributaries to be forwarded, without intervening transportation, by vessel, in their original form, to interstate or foreign destinations. No deduction is allowed under this subsection when the point of origin and the point of delivery to the export elevator, wharf, dock, or ship side are located within the corporate limits of the same city or town;
- (10) Amounts derived from the transportation of agricultural commodities, not including manufactured substances or articles, from points of origin in the state to interim storage facilities in this state for transshipment, without intervening transportation, to an export elevator, wharf, dock, or ship side on tidewater or its navigable tributaries to be forwarded, without intervening transportation, by vessel, in their original form, to interstate or foreign destinations. If agricultural commodities are transshipped from interim storage facilities in this state to storage facilities at a port on tidewater or its navigable tributaries, the same agricultural commodity dealer must operate both the interim storage facilities and the storage facilities at the port.
- (a) The deduction under this subsection is available only when the person claiming the deduction obtains a certificate from the agricultural commodity dealer operating the interim storage facilities, in a form and manner prescribed by the department, certifying that:
- (i) More than ninety-six percent of all of the type of agricultural commodity delivered by the person claiming the deduction under this subsection and delivered by all other persons to the dealer's interim storage facilities during the preceding calendar year was shipped by vessel in original form to interstate or foreign destinations; and
- (ii) Any of the agricultural commodity that is transshipped to ports on tidewater or its navigable tributaries will be received at storage facilities operated by the same agricultural commodity dealer

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and will be shipped from such facilities, without intervening transportation, by vessel, in their original form, to interstate or foreign destinations.

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- (b) As used in this subsection, "agricultural commodity" has the same meaning as agricultural product in RCW 82.04.213;
- (11) Amounts derived from the production, sale, or transfer of electrical energy for resale within or outside the state or for consumption outside the state;
- 9 (12) Amounts derived from the distribution of water by a 10 nonprofit water association and used for capital improvements by that 11 nonprofit water association;
- 12 (13) Amounts paid by a sewerage collection business taxable under 13 RCW 82.16.020(1)(a) to a person taxable under chapter 82.04 RCW for 14 the treatment or disposal of sewage;
 - (14) Amounts derived from fees or charges imposed on persons for transit services provided by a public transportation agency. For the purposes of this subsection, "public transportation agency" means a municipality, as defined in RCW 35.58.272, and urban public transportation systems, as defined in RCW 47.04.082. Public transportation agencies must spend an amount equal to the reduction in tax provided by this tax deduction solely to adjust routes to improve access for citizens using food banks and senior citizen services or to extend or add new routes to assist low-income citizens and seniors.
- 25 **Sec. 161.** RCW 82.25.005 and 2019 c 445 s 101 are each amended to 26 read as follows:

The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.

- (1) "Accessible container" means a container that is intended to be opened. The term does not mean a closed cartridge or closed container that is not intended to be opened such as a disposable ecigarette.
- (2) "Affiliated" means related in any way by virtue of any form or amount of common ownership, control, operation, or management.
 - (3) "Board" means the Washington state liquor and cannabis board.
- 36 (4) "Business" means any trade, occupation, activity, or 37 enterprise engaged in selling or distributing vapor products in this 38 state.
 - (5) "Distributor" ((mean[s])) means any person:

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1 (a) Engaged in the business of selling vapor products in this 2 state who brings, or causes to be brought, into this state from 3 outside the state any vapor products for sale;

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- (b) Who makes, manufactures, fabricates, or stores vapor products in this state for sale in this state;
- (c) Engaged in the business of selling vapor products outside this state who ships or transports vapor products to retailers or consumers in this state; or
- 9 (d) Engaged in the business of selling vapor products in this 10 state who handles for sale any vapor products that are within this 11 state but upon which tax has not been imposed.
- 12 (6) "Indian country" has the same meaning as provided in RCW 13 82.24.010.
- 14 (7) "Manufacturer" has the same meaning as provided in RCW 15 70.345.010.
 - (8) "Manufacturer's representative" means a person hired by a manufacturer to sell or distribute the manufacturer's vapor products and includes employees and independent contractors.
 - (9) "Person" means: Any individual, receiver, administrator, executor, assignee, trustee in bankruptcy, trust, estate, firm, copartnership, joint venture, club, company, joint stock company, business trust, municipal corporation, corporation, limited liability company, association, or society; the state and its departments and institutions; any political subdivision of the state of Washington; and any group of individuals acting as a unit, whether mutual, cooperative, fraternal, nonprofit, or otherwise. Except as provided otherwise in this chapter, "person" does not include any person immune from state taxation, including the United States or its instrumentalities, and federally recognized Indian tribes and enrolled tribal members, conducting business within Indian country.
- 31 (10) "Place of business" means any place where vapor products are 32 sold or where vapor products are manufactured, stored, or kept for 33 the purpose of sale, including any vessel, vehicle, airplane, or 34 train.
- 35 (11) "Retail outlet" has the same meaning as provided in RCW 36 70.345.010.
- 37 (12) "Retailer" has the same meaning as provided in RCW 38 70.345.010.
 - (13) "Sale" has the same meaning as provided in RCW 70.345.010.

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- 1 (14) "Taxpayer" means a person liable for the tax imposed by this chapter.
- (15) "Vapor product" means any noncombustible product containing 3 a solution or other consumable substance, regardless of whether it 4 contains nicotine, which employs a mechanical heating element, 5 6 battery, or electronic circuit regardless of shape or size that can be used to produce vapor from the solution or other substance, 7 including an electronic cigarette, electronic cigar, electronic 8 cigarillo, electronic pipe, or similar product or device. The term 9 also includes any cartridge or other container of liquid nicotine, 10 solution, or other consumable substance, regardless of whether it 11 12 contains nicotine, that is intended to be used with or in a device that can be used to deliver aerosolized or vaporized nicotine to a 13 person inhaling from the device and is sold for such purpose. 14
 - (a) The term does not include:

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- (i) Any product approved by the United States food and drug administration for sale as a tobacco cessation product, medical device, or for other therapeutic purposes when such product is marketed and sold solely for such an approved purpose;
- 20 (ii) Any product that will become an ingredient or component in a 21 vapor product manufactured by a distributor; or
 - (iii) Any product that meets the definition of ((marijuana))

 cannabis, useable ((marijuana, marijuana)) cannabis, cannabis

 concentrates, ((marijuana-infused)) cannabis-infused products,

 cigarette, or tobacco products.
 - (b) For purposes of this subsection (15):
- 27 (i) "Cigarette" has the same meaning as provided in RCW 82.24.010; and
- (ii) (("Marijuana,")) "Cannabis," "useable ((marijuana," 30 "marijuana)) cannabis," "cannabis concentrates," and (("marijuana-infused)) "cannabis-infused products" have the same meaning as provided in RCW 69.50.101.
- 33 **Sec. 162.** RCW 82.29A.020 and 2015 3rd sp.s. c 6 s 2004 are each amended to read as follows:
- 35 The definitions in this section apply throughout this chapter 36 unless the context requires otherwise.
- 37 (1)(a) "Leasehold interest" means an interest in publicly owned, 38 or specified privately owned, real or personal property which exists 39 by virtue of any lease, permit, license, or any other agreement,

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written or verbal, between the owner of the property and a person who would not be exempt from property taxes if that person owned the property in fee, granting possession and use, to a degree less than fee simple ownership. However, no interest in personal property (excluding land or buildings) which is owned by the United States, whether or not as trustee, or by any foreign government may constitute a leasehold interest hereunder when the right to use such property is granted pursuant to a contract solely for the manufacture or production of articles for sale to the United States or any foreign government. The term "leasehold interest" includes the rights of use or occupancy by others of property which is owned in fee or held in trust by a public corporation, commission, or authority created under RCW 35.21.730 or 35.21.660 if the property is listed on or is within a district listed on any federal or state register of historical sites.

(b) The term "leasehold interest" does not include:

- (i) Road or utility easements, rights of access, occupancy, or use granted solely for the purpose of removing materials or products purchased from an owner or the lessee of an owner, or rights of access, occupancy, or use granted solely for the purpose of natural energy resource exploration; or
- (ii) The preferential use of publicly owned cargo cranes and docks and associated areas used in the loading and discharging of cargo located at a port district marine facility. "Preferential use" means that publicly owned real or personal property is used by a private party under a written agreement with the public owner, but the public owner or any third party maintains a right to use the property when not being used by the private party.
- (2) (a) "Taxable rent" means contract rent as defined in (c) of this subsection in all cases where the lease or agreement has been established or renegotiated through competitive bidding, or negotiated or renegotiated in accordance with statutory requirements regarding the rent payable, or negotiated or renegotiated under circumstances, established by public record, clearly showing that the contract rent was the maximum attainable by the lessor. With respect to a leasehold interest in privately owned property, "taxable rent" means contract rent. However, after January 1, 1986, with respect to any lease which has been in effect for ten years or more without renegotiation, taxable rent may be established by procedures set forth in (g) of this subsection. All other leasehold interests are

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subject to the determination of taxable rent under the terms of (g) of this subsection.

- (b) For purposes of determining leasehold excise tax on any lands on the Hanford reservation subleased to a private or public entity by the department of ecology, taxable rent includes only the annual cash rental payment made by such entity to the department of ecology as specifically referred to as rent in the sublease agreement between the parties and does not include any other fees, assessments, or charges imposed on or collected by such entity irrespective of whether the private or public entity pays or collects such other fees, assessments, or charges as specified in the sublease agreement.
- (c) "Contract rent" means the amount of consideration due as payment for a leasehold interest, including: The total of cash payments made to the lessor or to another party for the benefit of the lessor according to the requirements of the lease or agreement, including any rents paid by a sublessee; expenditures for the protection of the lessor's interest when required by the terms of the lease or agreement; and expenditures for improvements to the property to the extent that such improvements become the property of the lessor. Where the consideration conveyed for the leasehold interest is made in combination with payment for concession or other rights granted by the lessor, only that portion of such payment which represents consideration for the leasehold interest is part of contract rent.
- (d) "Contract rent" does not include: (i) Expenditures made by the lessee, which under the terms of the lease or agreement, are to be reimbursed by the lessor to the lessee or expenditures for improvements and protection made pursuant to a lease or an agreement which requires that the use of the improved property be open to the general public and that no profit will inure to the lessee from the lease; (ii) expenditures made by the lessee for the replacement or repair of facilities due to fire or other casualty including payments for insurance to provide reimbursement for losses or payments to a public or private entity for protection of such property from damage or loss or for alterations or additions made necessary by an action of government taken after the date of the execution of the lease or agreement; (iii) improvements added to publicly owned property by a sublessee under an agreement executed prior to January 1, 1976, which have been taxed as personal property of the sublessee prior to January 1, 1976, or improvements made by a sublessee of the same

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lessee under a similar agreement executed prior to January 1, 1976, and such improvements are taxable to the sublessee as personal property; (iv) improvements added to publicly owned property if such improvements are being taxed as personal property to any person.

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- (e) Any prepaid contract rent is considered to have been paid in the year due and not in the year actually paid with respect to prepayment for a period of more than one year. Expenditures for improvements with a useful life of more than one year which are included as part of contract rent must be treated as prepaid contract rent and prorated over the useful life of the improvement or the remaining term of the lease or agreement if the useful life is in excess of the remaining term of the lease or agreement. Rent prepaid prior to January 1, 1976, must be prorated from the date of prepayment.
- (f) With respect to a "product lease," the value is that value determined at the time of sale under terms of the lease.
- (g) If it is determined by the department of revenue, upon examination of a lessee's accounts or those of a lessor of publicly owned property, that a lessee is occupying or using publicly owned property in such a manner as to create a leasehold interest and that such leasehold interest has not been established through competitive bidding, or negotiated in accordance with statutory requirements regarding the rent payable, or negotiated under circumstances, established by public record, clearly showing that the contract rent was the maximum attainable by the lessor, the department may establish a taxable rent computation for use in determining the tax payable under authority granted in this chapter based upon the following criteria: (i) Consideration must be given to rental being paid to other lessors by lessees of similar property for similar purposes over similar periods of time; (ii) consideration must be given to what would be considered a fair rate of return on the market value of the property leased less reasonable deductions for any restrictions on use, special operating requirements or provisions for concurrent use by the lessor, another person or the general public.
- (3) "Product lease" as used in this chapter means a lease of property for use in the production of agricultural or marine products, not including the production of ((marijuana)) cannabis as defined in RCW 69.50.101, to the extent that such lease provides for the contract rent to be paid by the delivery of a stated percentage of the production of such agricultural or marine products to the

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- credit of the lessor or the payment to the lessor of a stated percentage of the proceeds from the sale of such products.
- (4) "Renegotiated" means a change in the lease agreement which 3 changes the agreed time of possession, restrictions on use, the rate 4 of the cash rental or of any other consideration payable by the 5 6 lessee to or for the benefit of the lessor, other than any such 7 change required by the terms of the lease or agreement. In addition "renegotiated" means a continuation of possession by the lessee 8 beyond the date when, under the terms of the lease agreement, the 9 lessee had the right to vacate the premises without any further 10 11 liability to the lessor.
 - (5) "City" means any city or town.

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- (6) "Products" includes natural resource products such as cut or picked evergreen foliage, Cascara bark, wild edible mushrooms, native ornamental trees and shrubs, ore and minerals, natural gas, geothermal water and steam, and forage removed through the grazing of livestock.
- 18 (7) "Publicly owned, or specified privately owned, real or 19 personal property" includes real or personal property:
- 20 (a) Owned in fee or held in trust by a public entity and exempt 21 from property tax under the laws or Constitution of this state or the 22 Constitution of the United States;
- 23 (b) Owned by a federally recognized Indian tribe in the state and exempt from property tax under RCW 84.36.010;
- (c) Owned by a nonprofit fair association exempt from property tax under RCW 84.36.480(2), but only with respect to that portion of the fair's property subject to the tax imposed in this chapter pursuant to RCW 84.36.480(2)(b); or
- 29 (d) Owned by a community center exempt from property tax under 30 RCW 84.36.010.
- 31 **Sec. 163.** RCW 82.84.030 and 2019 c 2 s 3 are each amended to 32 read as follows:
- For purposes of this chapter:
- 34 (1) "Alcoholic beverages" has the same meaning as provided in RCW 35 82.08.0293.
- 36 (2) "Groceries" means any raw or processed food or beverage, or 37 any ingredient thereof, intended for human consumption except 38 alcoholic beverages, ((marijuana)) cannabis products, and tobacco. 39 "Groceries" includes, but is not limited to, meat, poultry, fish,

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- fruits, vegetables, grains, bread, milk, cheese and other dairy products, nonalcoholic beverages, kombucha with less than 0.5% alcohol by volume, condiments, spices, cereals, seasonings, leavening agents, eggs, cocoa, teas, and coffees whether raw or processed.
- 5 (3) "Local governmental entity" has the same meaning as provided in RCW 4.96.010.

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- (4) (("Marijuana)) "Cannabis products" has the same meaning as provided in RCW 69.50.101.
- (5) "Tax, fee, or other assessment on groceries" includes, but is not limited to, a sales tax, gross receipts tax, business and occupation tax, business license tax, excise tax, privilege tax, or any other similar levy, charge, or exaction of any kind on groceries or the manufacture, distribution, sale, possession, ownership, transfer, transportation, container, use, or consumption thereof.
- 15 (6) "Tobacco" has the same meaning as provided in RCW 82.08.0293.
- 16 **Sec. 164.** RCW 84.34.410 and 2014 c 140 s 27 are each amended to read as follows:
- The provisions of this chapter do not apply with respect to land used in the growing, raising, or producing of ((marijuana)) cannabis, useable ((marijuana, or marijuana-infused)) cannabis, or cannabisinfused products as those terms are defined under RCW 69.50.101.
- 22 **Sec. 165.** RCW 84.40.030 and 2014 c 140 s 29 are each amended to 23 read as follows:
 - (1) All property must be valued at one hundred percent of its true and fair value in money and assessed on the same basis unless specifically provided otherwise by law.
 - (2) Taxable leasehold estates must be valued at such price as they would bring at a fair, voluntary sale for cash without any deductions for any indebtedness owed including rentals to be paid.
- 30 (3) The true and fair value of real property for taxation 31 purposes (including property upon which there is a coal or other 32 mine, or stone or other quarry) must be based upon the following 33 criteria:
 - (a) Any sales of the property being appraised or similar properties with respect to sales made within the past five years. The appraisal must be consistent with the comprehensive land use plan, development regulations under chapter 36.70A RCW, zoning, and any other governmental policies or practices in effect at the time of

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appraisal that affect the use of property, as well as physical and environmental influences. An assessment may not be determined by a method that assumes a land usage or highest and best use not permitted, for that property being appraised, under existing zoning or land use planning ordinances or statutes or other government restrictions. The appraisal must also take into account: (i) In the use of sales by real estate contract as similar sales, the extent, if any, to which the stated selling price has been increased by reason of the down payment, interest rate, or other financing terms; and (ii) the extent to which the sale of a similar property actually represents the general effective market demand for property of such type, in the geographical area in which such property is located. Sales involving deed releases or similar seller-developer financing arrangements may not be used as sales of similar property.

(b) In addition to sales as defined in subsection (3)(a) of this section, consideration may be given to cost, cost less depreciation, reconstruction cost less depreciation, or capitalization of income that would be derived from prudent use of the property, as limited by law or ordinance. Consideration should be given to any agreement, between an owner of rental housing and any government agency, that restricts rental income, appreciation, and liquidity; and to the impact of government restrictions on operating expenses and on ownership rights in general of such housing. In the case of property of a complex nature, or being used under terms of a franchise from a public agency, or operating as a public utility, or property not having a record of sale within five years and not having a significant number of sales of similar property in the general area, the provisions of this subsection must be the dominant factors in valuation. When provisions of this subsection are relied upon for establishing values the property owner must be advised upon request of the factors used in arriving at such value.

(c) In valuing any tract or parcel of real property, the true and fair value of the land, exclusive of structures thereon must be determined; also the true and fair value of structures thereon, but the valuation may not exceed the true and fair value of the total property as it exists. In valuing agricultural land, growing crops must be excluded. For purposes of this subsection (3)(c), "growing crops" does not include ((marijuana)) cannabis as defined under RCW 69.50.101.

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- 1 <u>NEW SECTION.</u> **Sec. 166.** Sections 49 and 113 of this act expire
- 2 July 1, 2022.
- 3 <u>NEW SECTION.</u> **Sec. 167.** Sections 63 and 66 of this act expire
- 4 July 1, 2024.
- 5 NEW SECTION. Sec. 168. Section 8 of this act expires July 1,
- 6 2030.
- 7 NEW SECTION. Sec. 169. Sections 50 and 114 of this act take
- 8 effect July 1, 2022.
- 9 <u>NEW SECTION.</u> **Sec. 170.** Sections 64 and 67 of this act take
- 10 effect July 1, 2024.
- 11 <u>NEW SECTION.</u> **Sec. 171.** Section 9 of this act takes effect July
- 12 1, 2030.

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