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**SENATE BILL 5699**

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**State of Washington**

**67th Legislature**

**2022 Regular Session**

**By** Senators Conway and Stanford; by request of Department of Agriculture and Liquor and Cannabis Board

Prefiled 01/06/22. Read first time 01/10/22. Referred to Committee on Labor, Commerce & Tribal Affairs.

1 AN ACT Relating to quality standards for laboratories conducting  
2 cannabis analysis; amending RCW 69.50.348, 69.50.348, and 69.50.540;  
3 adding a new chapter to Title 15 RCW; creating a new section;  
4 providing an effective date; and providing an expiration date.

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

6 NEW SECTION. **Sec. 1.** The purpose of this act is to create an  
7 interagency coordination team responsible for the program that  
8 establishes and maintains quality standards for laboratories  
9 conducting analysis of recreational and medicinal cannabis with THC  
10 levels greater than 0.3 percent. The interagency team includes the  
11 department of agriculture, the liquor and cannabis board, and the  
12 department of health. The standards must be adopted by rule by the  
13 department of agriculture, and changes to standards may require  
14 reference in liquor and cannabis board and department of health  
15 rules. This authority to establish these rules transfers from the  
16 liquor and cannabis board to the department of agriculture. This act  
17 implements the recommendations of the cannabis science task force  
18 established in RCW 43.21A.735.

19 According to the task force's recommendations: "Laboratory  
20 quality standards are the elements used in the evaluation of a  
21 product's compliance with established product standards. They consist

1 of approved methods, method validation protocols, and performance  
2 measures and criteria applied to the testing of the product.  
3 Establishing appropriate and well-defined laboratory quality  
4 standards is essential to communicate to the testing laboratories  
5 what standardized practices and procedures are appropriate.

6 Laboratory quality standards help ensure the data that  
7 laboratories generate are credible and can be used to provide  
8 consumer protections. They should represent sound scientific  
9 protocols, and detail practical and specific guidance for the testing  
10 subject matter. Together, well-established product standards,  
11 laboratory quality standards, and accreditation standards should  
12 function to garner confidence for consumers and the industry they  
13 support."

14 NEW SECTION. **Sec. 2.** The definitions in this section apply  
15 throughout this chapter unless the context clearly requires  
16 otherwise.

17 (1) "Cannabis lab" means a laboratory that tests cannabis for  
18 compliance with product standards established by rule by the state  
19 liquor and cannabis board.

20 (2) "Team" means the interagency coordination team for cannabis  
21 laboratory quality standards created in this chapter.

22 NEW SECTION. **Sec. 3.** (1) The interagency coordination team for  
23 cannabis laboratory quality standards is created. The team consists  
24 of the department, the liquor and cannabis board, and the department  
25 of health. The department is designated lead agency for the team and  
26 must provide the team with all necessary administrative support.

27 (2) The agencies that make up the team must each dedicate  
28 administrative, policy, scientific, or other staff necessary to  
29 successfully accomplish the duties assigned to the team.

30 (3) The team must:

31 (a) Coordinate among all participating agencies on agency  
32 policies, actions, and regulatory activities that relate to marijuana  
33 testing laboratory quality standards; and

34 (b) Advise the department on implementation and maintenance of  
35 marijuana testing laboratory quality standards topics including, but  
36 not limited to, analytical methods, validation protocols, quality  
37 assurance and quality control practices, project planning and  
38 sampling guides, and other topics as necessary to fulfill the

1 purposes of the team and this act. In making its recommendations, the  
2 team must take into account the cannabis science task force  
3 recommendations.

4 NEW SECTION. **Sec. 4.** (1) The department must establish and  
5 maintain marijuana testing laboratory quality standards by rule in  
6 accordance with chapter 34.05 RCW.

7 (2) Marijuana testing laboratory quality standards must include,  
8 but are not limited to, approved methods for testing marijuana for  
9 compliance with product standards established by rule by the state  
10 liquor and cannabis board or the department of health, method  
11 validation protocol, and performance measures and criteria applied to  
12 testing of marijuana products.

13 (3) The department must take into account the recommendations of  
14 the team created in section 3 of this act.

15 (4) Standards created under this chapter must be provided to the  
16 state department of ecology for use in the lab accreditation process  
17 described in RCW 69.50.348.

18 **Sec. 5.** RCW 69.50.348 and 2019 c 277 s 1 are each amended to  
19 read as follows:

20 (1) On a schedule determined by the state liquor and cannabis  
21 board, every licensed marijuana producer and processor must submit  
22 representative samples of marijuana, useable marijuana, or marijuana-  
23 infused products produced or processed by the licensee to an  
24 independent, third-party testing laboratory (~~meeting the~~  
25 ~~accreditation requirements established by the state liquor and~~  
26 ~~cannabis board, for inspection and testing~~). The purpose of testing  
27 representative samples is to certify compliance with quality  
28 assurance and product standards adopted by the state liquor and  
29 cannabis board under RCW 69.50.342 or the department of health under  
30 RCW 69.50.375. In conducting tests of marijuana product samples,  
31 testing laboratories must adhere to laboratory quality standards  
32 adopted by the state department of agriculture under chapter 15.---  
33 RCW (the new chapter created in section 10 of this act). Any sample  
34 remaining after testing shall be destroyed by the laboratory or  
35 returned to the licensee submitting the sample.

36 (2) Independent, third-party testing laboratories performing  
37 marijuana product testing under subsection (1) of this section must  
38 obtain and maintain accreditation.

1       (3) Licensees must submit the results of inspection and testing  
2 for quality assurance and product standards required under subsection  
3 (1) of this section to the state liquor and cannabis board on a form  
4 developed by the state liquor and cannabis board.

5       ~~((3))~~ (4) If a representative sample inspected and tested under  
6 this section does not meet the applicable quality assurance and  
7 product standards established by the state liquor and cannabis board,  
8 the entire lot from which the sample was taken must be destroyed.

9       ~~((4))~~ (5) The state liquor and cannabis board may adopt rules  
10 necessary to implement this section. The state liquor and cannabis  
11 board may adopt rules necessary to implement subsection (2) of this  
12 section until a successor state agency or agencies assume  
13 responsibility for establishing and administering laboratory  
14 standards and accreditation.

15       **Sec. 6.** RCW 69.50.348 and 2019 c 277 s 2 are each amended to  
16 read as follows:

17       (1) On a schedule determined by the state liquor and cannabis  
18 board, every licensed marijuana producer and processor must submit  
19 representative samples of marijuana, useable marijuana, or marijuana-  
20 infused products produced or processed by the licensee to an  
21 independent, third-party testing laboratory meeting the accreditation  
22 requirements established by the state department of ecology(~~(, for~~  
23 ~~inspection and testing)~~). The purpose of testing representative  
24 samples is to certify compliance with quality assurance and product  
25 standards adopted by the state liquor and cannabis board under RCW  
26 69.50.342 or the department of health under RCW 69.50.375. In  
27 conducting tests of marijuana product samples, testing laboratories  
28 must adhere to laboratory quality standards adopted by the state  
29 department of agriculture under chapter 15.--- RCW (the new chapter  
30 created in section 10 of this act). Any sample remaining after  
31 testing shall be destroyed by the laboratory or returned to the  
32 licensee submitting the sample.

33       (2) Independent, third-party testing laboratories performing  
34 marijuana product testing under subsection (1) of this section must  
35 obtain and maintain accreditation.

36       (3) Licensees must submit the results of inspection and testing  
37 for quality assurance and product standards required under RCW  
38 69.50.342 to the state liquor and cannabis board on a form developed  
39 by the state liquor and cannabis board.

1        ~~((3))~~ (4) If a representative sample inspected and tested under  
2 this section does not meet the applicable quality assurance and  
3 product standards established by the state liquor and cannabis board,  
4 the entire lot from which the sample was taken must be destroyed.

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

- 21        (i) Evaluating the protocols and procedures used by a laboratory;
- 22        (ii) Performing on-site audits;
- 23        (iii) Evaluating participation and successful completion of  
24 proficiency testing;
- 25        (iv) Determining the capability of a laboratory to produce  
26 accurate and reliable test results; and
- 27        (v) Such other accreditation activities as the department of  
28 ecology deems appropriate.

29        (b) The state marijuana product testing laboratory accreditation  
30 program initial development costs must be fully paid from the  
31 dedicated marijuana account created in RCW 69.50.530.

32        ~~((5))~~ (6) The department of ecology and the ~~((liquor and  
33 cannabis board))~~ interagency coordination team created in section 3  
34 of this act must act cooperatively to ensure effective implementation  
35 and administration of this section.

36        ~~((6))~~ (7) All fees collected under this section must be  
37 deposited in the dedicated marijuana account created in RCW  
38 69.50.530.

1       **Sec. 7.** RCW 69.50.540 and 2021 c 334 s 986 are each amended to  
2 read as follows:

3       The legislature must annually appropriate moneys in the dedicated  
4 marijuana account created in RCW 69.50.530 as follows:

5       (1) For the purposes listed in this subsection (1), the  
6 legislature must appropriate to the respective agencies amounts  
7 sufficient to make the following expenditures on a quarterly basis or  
8 as provided in this subsection:

9       (a) One hundred twenty-five thousand dollars to the health care  
10 authority to design and administer the Washington state healthy youth  
11 survey, analyze the collected data, and produce reports, in  
12 collaboration with the office of the superintendent of public  
13 instruction, department of health, department of commerce, family  
14 policy council, and board. The survey must be conducted at least  
15 every two years and include questions regarding, but not necessarily  
16 limited to, academic achievement, age at time of substance use  
17 initiation, antisocial behavior of friends, attitudes toward  
18 antisocial behavior, attitudes toward substance use, laws and  
19 community norms regarding antisocial behavior, family conflict,  
20 family management, parental attitudes toward substance use, peer  
21 rewarding of antisocial behavior, perceived risk of substance use,  
22 and rebelliousness. Funds disbursed under this subsection may be used  
23 to expand administration of the healthy youth survey to student  
24 populations attending institutions of higher education in Washington;

25       (b) Fifty thousand dollars to the health care authority for the  
26 purpose of contracting with the Washington state institute for public  
27 policy to conduct the cost-benefit evaluation and produce the reports  
28 described in RCW 69.50.550. This appropriation ends after production  
29 of the final report required by RCW 69.50.550;

30       (c) Five thousand dollars to the University of Washington alcohol  
31 and drug abuse institute for the creation, maintenance, and timely  
32 updating of web-based public education materials providing medically  
33 and scientifically accurate information about the health and safety  
34 risks posed by marijuana use;

35       (d) (i) An amount not less than one million two hundred fifty  
36 thousand dollars to the board for administration of this chapter as  
37 appropriated in the omnibus appropriations act;

38       (ii) One million three hundred twenty-three thousand dollars for  
39 fiscal year 2020 to the health professions account established under

1 RCW 43.70.320 for the development and administration of the marijuana  
2 authorization database by the department of health;

3 (iii) Two million four hundred fifty-three thousand dollars for  
4 fiscal year 2020 and two million four hundred twenty-three thousand  
5 dollars for fiscal years 2021, 2022, and 2023 to the Washington state  
6 patrol for a drug enforcement task force. It is the intent of the  
7 legislature that this policy will be continued in the 2021-2023  
8 fiscal biennium; and

9 (iv) Ninety-eight thousand dollars for fiscal year 2019 to the  
10 department of ecology for research on accreditation of marijuana  
11 product testing laboratories. Beginning in fiscal year 2023, three  
12 hundred fifteen thousand eight hundred ninety dollars to the board,  
13 seven hundred eighty thousand dollars to the department of  
14 agriculture, and seven hundred seventy-seven thousand dollars to the  
15 department of health to implement marijuana testing laboratory  
16 quality standards pursuant to this act;

17 (e) Four hundred sixty-five thousand dollars for fiscal year  
18 2020, four hundred sixty-four thousand dollars for fiscal year 2021,  
19 two hundred seventy thousand dollars in fiscal year 2022, and two  
20 hundred seventy-six thousand dollars in fiscal year 2023 to the  
21 department of ecology for implementation of accreditation of  
22 marijuana product testing laboratories;

23 (f) One hundred eighty-nine thousand dollars for fiscal year 2020  
24 to the department of health for rule making regarding compassionate  
25 care renewals;

26 (g) Eight hundred eight thousand dollars for each of fiscal years  
27 2020 through 2023 to the department of health for the administration  
28 of the marijuana authorization database;

29 (h) Six hundred thirty-five thousand dollars for fiscal year  
30 2020, six hundred thirty-five thousand dollars for fiscal year 2021,  
31 six hundred twenty-one thousand dollars for fiscal year 2022, and six  
32 hundred twenty-seven thousand dollars for fiscal year 2023 to the  
33 department of agriculture for compliance-based laboratory analysis of  
34 pesticides in marijuana;

35 (i) One million six hundred fifty thousand dollars for fiscal  
36 year 2022 and one million six hundred fifty thousand dollars for  
37 fiscal year 2023 to the department of commerce to fund the  
38 (~~marijuana~~) cannabis social equity technical assistance  
39 (~~competitive~~) grant program under RCW 43.330.540; and

1 (j) One hundred sixty-three thousand dollars for fiscal year 2022  
2 and one hundred fifty-nine thousand dollars for fiscal year 2023 to  
3 the department of commerce to establish a roster of mentors as part  
4 of the cannabis social equity technical assistance grant program  
5 under Engrossed Substitute House Bill No. 1443 (cannabis industry/  
6 equity) (~~(chapter 169, Laws of 2021)~~) chapter 169, Laws of 2021;  
7 and

8 (2) From the amounts in the dedicated marijuana account after  
9 appropriation of the amounts identified in subsection (1) of this  
10 section, the legislature must appropriate for the purposes listed in  
11 this subsection (2) as follows:

12 (a)(i) Up to fifteen percent to the health care authority for the  
13 development, implementation, maintenance, and evaluation of programs  
14 and practices aimed at the prevention or reduction of maladaptive  
15 substance use, substance use disorder, substance abuse or substance  
16 dependence, as these terms are defined in the Diagnostic and  
17 Statistical Manual of Mental Disorders, among middle school and high  
18 school-age students, whether as an explicit goal of a given program  
19 or practice or as a consistently corresponding effect of its  
20 implementation, mental health services for children and youth, and  
21 services for pregnant and parenting women; PROVIDED, That:

22 (A) Of the funds appropriated under (a)(i) of this subsection for  
23 new programs and new services, at least eighty-five percent must be  
24 directed to evidence-based or research-based programs and practices  
25 that produce objectively measurable results and, by September 1,  
26 2020, are cost-beneficial; and

27 (B) Up to fifteen percent of the funds appropriated under (a)(i)  
28 of this subsection for new programs and new services may be directed  
29 to proven and tested practices, emerging best practices, or promising  
30 practices.

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

36 (iii) For each fiscal year, the legislature must appropriate a  
37 minimum of twenty-five million five hundred thirty-six thousand  
38 dollars under this subsection (2)(a);

39 (b)(i) Up to ten percent to the department of health for the  
40 following, subject to (b)(ii) of this subsection (2):



1 (A) Creation, implementation, operation, and management of a  
2 marijuana education and public health program that contains the  
3 following:

4 (I) A marijuana use public health hotline that provides referrals  
5 to substance abuse treatment providers, utilizes evidence-based or  
6 research-based public health approaches to minimizing the harms  
7 associated with marijuana use, and does not solely advocate an  
8 abstinence-only approach;

9 (II) A grants program for local health departments or other local  
10 community agencies that supports development and implementation of  
11 coordinated intervention strategies for the prevention and reduction  
12 of marijuana use by youth; and

13 (III) Media-based education campaigns across television,  
14 internet, radio, print, and out-of-home advertising, separately  
15 targeting youth and adults, that provide medically and scientifically  
16 accurate information about the health and safety risks posed by  
17 marijuana use; and

18 (B) The Washington poison control center.

19 (ii) For each fiscal year, the legislature must appropriate a  
20 minimum of nine million seven hundred fifty thousand dollars under  
21 this subsection (2)(b);

22 (c)(i) Up to six-tenths of one percent to the University of  
23 Washington and four-tenths of one percent to Washington State  
24 University for research on the short and long-term effects of  
25 marijuana use, to include but not be limited to formal and informal  
26 methods for estimating and measuring intoxication and impairment, and  
27 for the dissemination of such research.

28 (ii) For each fiscal year, except for the 2019-2021 and 2021-2023  
29 fiscal biennia, the legislature must appropriate a minimum of one  
30 million twenty-one thousand dollars to the University of Washington.  
31 For each fiscal year, except for the 2019-2021 and 2021-2023 fiscal  
32 biennia, the legislature must appropriate a minimum of six hundred  
33 eighty-one thousand dollars to Washington State University under this  
34 subsection (2)(c). It is the intent of the legislature that this  
35 policy will be continued in the 2023-2025 fiscal biennium;

36 (d) Fifty percent to the state basic health plan trust account to  
37 be administered by the Washington basic health plan administrator and  
38 used as provided under chapter 70.47 RCW;

39 (e) Five percent to the Washington state health care authority to  
40 be expended exclusively through contracts with community health

1 centers to provide primary health and dental care services, migrant  
2 health services, and maternity health care services as provided under  
3 RCW 41.05.220;

4 (f) (i) Up to three-tenths of one percent to the office of the  
5 superintendent of public instruction to fund grants to building  
6 bridges programs under chapter 28A.175 RCW.

7 (ii) For each fiscal year, the legislature must appropriate a  
8 minimum of five hundred eleven thousand dollars to the office of the  
9 superintendent of public instruction under this subsection (2) (f);  
10 and

11 (g) At the end of each fiscal year, the treasurer must transfer  
12 any amounts in the dedicated marijuana account that are not  
13 appropriated pursuant to subsection (1) of this section and this  
14 subsection (2) into the general fund, except as provided in (g) (i) of  
15 this subsection (2).

16 (i) Beginning in fiscal year 2018, if marijuana excise tax  
17 collections deposited into the general fund in the prior fiscal year  
18 exceed twenty-five million dollars, then each fiscal year the  
19 legislature must appropriate an amount equal to thirty percent of all  
20 marijuana excise taxes deposited into the general fund the prior  
21 fiscal year to the treasurer for distribution to counties, cities,  
22 and towns as follows:

23 (A) Thirty percent must be distributed to counties, cities, and  
24 towns where licensed marijuana retailers are physically located. Each  
25 jurisdiction must receive a share of the revenue distribution under  
26 this subsection (2) (g) (i) (A) based on the proportional share of the  
27 total revenues generated in the individual jurisdiction from the  
28 taxes collected under RCW 69.50.535, from licensed marijuana  
29 retailers physically located in each jurisdiction. For purposes of  
30 this subsection (2) (g) (i) (A), one hundred percent of the proportional  
31 amount attributed to a retailer physically located in a city or town  
32 must be distributed to the city or town.

33 (B) Seventy percent must be distributed to counties, cities, and  
34 towns ratably on a per capita basis. Counties must receive sixty  
35 percent of the distribution, which must be disbursed based on each  
36 county's total proportional population. Funds may only be distributed  
37 to jurisdictions that do not prohibit the siting of any state  
38 licensed marijuana producer, processor, or retailer.

1 (ii) Distribution amounts allocated to each county, city, and  
2 town must be distributed in four installments by the last day of each  
3 fiscal quarter.

4 (iii) By September 15th of each year, the board must provide the  
5 state treasurer the annual distribution amount, if any, for each  
6 county and city as determined in (g)(i) of this subsection (2).

7 (iv) The total share of marijuana excise tax revenues distributed  
8 to counties and cities in (g)(i) of this subsection (2) may not  
9 exceed fifteen million dollars in fiscal years 2018, 2019, 2020, and  
10 2021, and twenty million dollars per fiscal year thereafter.

11 NEW SECTION. **Sec. 8.** Section 5 of this act expires July 1,  
12 2024.

13 NEW SECTION. **Sec. 9.** Section 6 of this act takes effect July 1,  
14 2024.

15 NEW SECTION. **Sec. 10.** Sections 2 through 4 of this act  
16 constitute a new chapter in Title 15 RCW.

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