## SECOND SUBSTITUTE SENATE BILL 5052

State of Washington 64th Legislature 2015 Regular Session

By Senate Ways & Means (originally sponsored by Senators Rivers, Hatfield, and Conway)

- AN ACT Relating to establishing the cannabis patient protection 1 2 act; amending RCW 66.08.012, 69.50.101, 69.50.325, 69.50.331, 3 69.50.342, 69.50.345, 69.50.354, 69.50.357, 69.50.360, 69.50.4013, 4 69.51A.005, 69.51A.010, 69.51A.030, 69.51A.040, 69.51A.045, 5 69.51A.055, 69.51A.060, 69.51A.070, 69.51A.085, and 69.51A.100; adding new sections to chapter 69.50 RCW; adding new sections to 6 7 chapter 69.51A RCW; adding a new section to chapter 42.56 RCW; adding 8 a new section to chapter 82.08 RCW; adding a new section to chapter 82.12 RCW; adding a new section to chapter 82.04 RCW; creating new 9 69.51A.020, 69.51A.025, 10 sections; repealing RCW 69.51A.047, 69.51A.090, 69.51A.140, 69.51A.200, 69.51A.043, and 11 69.51A.085; 12 prescribing penalties; providing an effective date; and declaring an 13 emergency.
- 14 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:
- NEW SECTION. Sec. 1. This act may be known and cited as the cannabis patient protection act.
- NEW SECTION. Sec. 2. The legislature finds that since voters approved Initiative Measure No. 692 in 1998, it has been the public policy of the state to permit the medical use of marijuana. Between 1998 and the present day, there have been multiple legislative

p. 1 2SSB 5052

attempts to clarify what is meant by the medical use of marijuana and to ensure qualifying patients have a safe, consistent, and adequate source of marijuana for their medical needs.

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The legislature further finds that qualifying patients are people 4 with serious medical conditions and have been responsible for finding 5 б their own source of marijuana for their own personal medical use. Either by growing it themselves, designating someone to grow for 7 them, or participating in collective gardens, patients have developed 8 methods of access in spite of continued federal opposition to the 9 medical use of marijuana. In a time when access itself was an issue 10 and no safe, consistent source of marijuana was available, this 11 12 unregulated system was permitted by the state to ensure some, albeit limited, access to marijuana for medical use. Also permitted were 13 personal possession limits of fifteen plants and twenty-four ounces 14 of useable marijuana, which was deemed to be the amount of marijuana 15 16 needed for a sixty-day supply. In a time when supply was not 17 consistent, this amount of marijuana was necessary to ensure patients would be able to address their immediate medical needs. 18

The legislature further finds that while possession amounts are provided in statute, these do not amount to protection from arrest and prosecution for patients. In fact, patients in compliance with state law are not provided arrest protection. They may be arrested and their only remedy is to assert an affirmative defense at trial that they are in compliance with the law and have a medical need. Too many patients using marijuana for medical purposes today do not know this; many falsely believe they cannot be arrested so long as their health care provider has authorized them for the medical use of marijuana.

The legislature further finds that in 2012 voters passed Initiative Measure No. 502 which permitted the recreational use of marijuana. For the first time in our nation's history, marijuana would regulated, taxed, and for recreational sold Initiative Measure consumption. No. 502 provides for regulation on the production, processing, and distribution of marijuana. Under Initiative Measure No. 502, marijuana is trackable from seed to sale and may only be sold or grown under license. Marijuana must be tested for impurities and purchasers of marijuana must be informed of the THC level in the marijuana. Since its passage, two hundred fifty producer/processor licenses and sixtythree retail licenses have been issued, covering the majority of the

p. 2 2SSB 5052

state. With the current product canopy exceeding 2.9 million square feet, and retailers in place, the state now has a system of safe, consistent, and adequate access to marijuana; the marketplace is not the same marketplace envisioned by the voters in 1998. While medical needs remain, the state is in the untenable position of having a б recreational product that is tested and subject to production standards that ensure safe access for recreational users. No such standards exist for medical users and, consequently, the very people originally meant to be helped through the medical use of marijuana do not know if their product has been tested for molds, do not know where their marijuana has been grown, have no certainty in the level of THC or CBD in their products, and have no assurances that their products have been handled through quality assurance measures. It is not the public policy of the state to allow qualifying patients to only have access to products that may be endangering their health. 

The legislature, therefore, intends to adopt a comprehensive act that uses the regulations in place for the recreational market to provide regulation for the medical use of marijuana. It intends to ensure that patients retain their ability to grow their own marijuana for their own medical use and it intends to ensure that patients have the ability to possess more marijuana-infused products, useable marijuana, and marijuana concentrates than what is available to a nonmedical user. It further intends that medical specific regulations be adopted as needed and under consultation of the departments of health and agriculture so that safe handling practices will be adopted and so that testing standards for medical products meet or exceed those standards in use in the recreational market.

**Sec. 3.** RCW 66.08.012 and 2012 c 117 s 265 are each amended to 29 read as follows:

There shall be a board, known as the "Washington state liquor ((control)) and cannabis board," consisting of three members, to be appointed by the governor, with the consent of the senate, who shall each be paid an annual salary to be fixed by the governor in accordance with the provisions of RCW 43.03.040. The governor may, in his or her discretion, appoint one of the members as chair of the board, and a majority of the members shall constitute a quorum of the board.

p. 3 2SSB 5052

1 **Sec. 4.** RCW 69.50.101 and 2014 c 192 s 1 are each amended to 2 read as follows:

Unless the context clearly requires otherwise, definitions of terms shall be as indicated where used in this chapter:

- (a) "Administer" means to apply a controlled substance, whether by injection, inhalation, ingestion, or any other means, directly to the body of a patient or research subject by:
- 8 (1) a practitioner authorized to prescribe (or, by the 9 practitioner's authorized agent); or
- 10 (2) the patient or research subject at the direction and in the 11 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) "Commission" means the pharmacy quality assurance commission.
  - (d) "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.
- (e)(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.
    - (2) The term does not include:
    - (i) a controlled substance;

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- 35 (ii) a substance for which there is an approved new drug 36 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, to the

p. 4 2SSB 5052

- 1 extent conduct with respect to the substance is pursuant to the 2 exemption; or
- 3 (iv) any substance to the extent not intended for human 4 consumption before an exemption takes effect with respect to the 5 substance.
  - (f) "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.
    - (g) "Department" means the department of health.

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- 10 (h) "Dispense" means the interpretation of a prescription or 11 order for a controlled substance and, pursuant to that prescription 12 or order, the proper selection, measuring, compounding, labeling, or 13 packaging necessary to prepare that prescription or order for 14 delivery.
  - (i) "Dispenser" means a practitioner who dispenses.
- 16 (j) "Distribute" means to deliver other than by administering or 17 dispensing a controlled substance.
  - (k) "Distributor" means a person who distributes.
  - (1) "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.
  - (m) "Drug enforcement administration" means the drug enforcement administration in the United States Department of Justice, or its successor agency.
  - (n) "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.
    - (o) "Immediate precursor" means a substance:

p. 5 2SSB 5052

1 (1) that the commission has found to be and by rule designates as 2 being the principal compound commonly used, or produced primarily for 3 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
- 6 (3) the control of which is necessary to prevent, curtail, or 7 limit the manufacture of the controlled substance.
  - (p) "Isomer" means an optical isomer, but in subsection (z)(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.
  - (q) "Lot" means a definite quantity of marijuana, <u>marijuana</u> concentrates, useable marijuana, or marijuana-infused product identified by a lot number, every portion or package of which is uniform within recognized tolerances for the factors that appear in the labeling.
  - (r) "Lot number" shall identify the licensee by business or trade name and Washington state unified business identifier number, and the date of harvest or processing for each lot of marijuana, marijuana concentrates, useable marijuana, or marijuana-infused product.
  - (s) "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.
- (t) "Marijuana" or "marihuana" means all parts of the plant Cannabis, whether growing or not, with a THC concentration greater

p. 6 2SSB 5052

- than 0.3 percent on a dry weight basis; the seeds thereof; the resin extracted from any part of the plant; and every manufacture, salt, derivative, mixture, or preparation of the plant, its seeds or resin. The term does not include 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, 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.
  - (u) "Marijuana concentrates" means products consisting wholly or in part of the resin extracted from any part of the plant *Cannabis* and having a THC concentration greater than sixty percent.

- (v) "Marijuana processor" means a person licensed by the state liquor ((control)) and cannabis board to process marijuana into marijuana concentrates, useable marijuana, and marijuana-infused products, package and label marijuana concentrates, useable marijuana, and marijuana-infused products for sale in retail outlets, and sell marijuana concentrates, useable marijuana, and marijuana-infused products at wholesale to marijuana retailers.
- (w) "Marijuana producer" means a person licensed by the state liquor ((control)) and cannabis board to produce and sell marijuana at wholesale to marijuana processors and other marijuana producers.
- (x) "Marijuana-infused products" means products that contain marijuana or marijuana extracts, are intended for human use, and have a THC concentration greater than 0.3 percent and no greater than sixty percent. The term "marijuana-infused products" does not include either useable marijuana or marijuana concentrates.
- (y) "Marijuana retailer" means a person licensed by the state liquor ((control)) and cannabis board to sell marijuana concentrates, useable marijuana, and marijuana-infused products in a retail outlet.
- (z) "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.

p. 7 2SSB 5052

- 1 (2) Synthetic opiate and any derivative of synthetic opiate, 2 including their isomers, esters, ethers, salts, and salts of isomers, 3 esters, and ethers, whenever the existence of the isomers, esters, 4 ethers, and salts is possible within the specific chemical 5 designation.
  - (3) Poppy straw and concentrate of poppy straw.
- 7 (4) Coca leaves, except coca leaves and extracts of coca leaves 8 from which cocaine, ecgonine, and derivatives or ecgonine or their 9 salts have been removed.
  - (5) Cocaine, or any salt, isomer, or salt of isomer thereof.
  - (6) Cocaine base.

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- 12 (7) Ecgonine, or any derivative, salt, isomer, or salt of isomer 13 thereof.
- 14 (8) Any compound, mixture, or preparation containing any quantity 15 of any substance referred to in subparagraphs (1) through (7).
  - (aa) "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.
- 25 (bb) "Opium poppy" means the plant of the species Papaver 26 somniferum L., except its seeds.
  - (cc) "Person" means individual, corporation, business trust, estate, trust, partnership, association, joint venture, government, governmental subdivision or agency, or any other legal or commercial entity.
- 31 (dd) "Poppy straw" means all parts, except the seeds, of the 32 opium poppy, after mowing.
  - (ee) "Practitioner" means:
- (1) A physician under chapter 18.71 RCW; a physician assistant under chapter 18.71A RCW; an osteopathic physician and surgeon under chapter 18.57 RCW; an osteopathic physician assistant under chapter 18.57A RCW who is licensed under RCW 18.57A.020 subject to any limitations in RCW 18.57A.040; an optometrist licensed under chapter 18.53 RCW who is certified by the optometry board under RCW 18.53.010 subject to any limitations in RCW 18.53.010; a dentist under chapter

p. 8 2SSB 5052

- 1 18.32 RCW; a podiatric physician and surgeon under chapter 18.22 RCW; a veterinarian under chapter 18.92 RCW; a registered nurse, advanced 2 registered nurse practitioner, or licensed practical nurse under 3 chapter 18.79 RCW; a naturopathic physician under chapter 18.36A RCW 4 who is licensed under RCW 18.36A.030 subject to any limitations in 5 6 RCW 18.36A.040; a pharmacist under chapter 18.64 RCW or a scientific investigator under this chapter, licensed, registered or otherwise 7 permitted insofar as is consistent with those licensing laws to 8 distribute, dispense, conduct research with respect to or administer 9 a controlled substance in the course of their professional practice 10 or research in this state. 11
  - (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.

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- (3) A physician licensed to practice medicine and surgery, a physician licensed to practice osteopathic medicine and surgery, a dentist licensed to practice dentistry, a podiatric physician and surgeon licensed to practice podiatric medicine and surgery, a licensed physician assistant or a licensed osteopathic physician assistant specifically approved to prescribe controlled substances by his or her state's medical quality assurance commission or equivalent and his or her supervising physician, an advanced registered nurse practitioner licensed to prescribe controlled substances, or a veterinarian licensed to practice veterinary medicine in any state of the United States.
- (ff) "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.
- (gg) "Production" includes the manufacturing, planting, cultivating, growing, or harvesting of a controlled substance.
- (hh) "Retail outlet" means a location licensed by the state liquor ((control)) and cannabis board for the retail sale of marijuana concentrates, useable marijuana, and marijuana-infused products.
- 37 (ii) "Secretary" means the secretary of health or the secretary's designee.
- 39 (jj) "State," unless the context otherwise requires, means a 40 state of the United States, the District of Columbia, the

p. 9 2SSB 5052

- 1 Commonwealth of Puerto Rico, or a territory or insular possession 2 subject to the jurisdiction of the United States.
- 3 (kk) "THC concentration" means percent of delta-9
  4 tetrahydrocannabinol content per dry weight of any part of the plant
  5 Cannabis, or per volume or weight of marijuana product, or the
  6 combined percent of delta-9 tetrahydrocannabinol and
  7 tetrahydrocannabinolic acid in any part of the plant Cannabis
  8 regardless of moisture content.
- 9 (11) "Ultimate user" means an individual who lawfully possesses a 10 controlled substance for the individual's own use or for the use of a 11 member of the individual's household or for administering to an 12 animal owned by the individual or by a member of the individual's 13 household.
- 14 (mm) "Useable marijuana" means dried marijuana flowers. The term 15 "useable marijuana" does not include either marijuana-infused 16 products or marijuana concentrates.
- 17 <u>(nn) "Designated provider" has the meaning provided in RCW</u>
  18 69.51A.010.
- 19 (oo) "Qualifying patient" has the meaning provided in RCW 20 69.51A.010.
- 21 (pp) "CBD concentration" has the meaning provided in RCW 22 69.51A.010.
- 23 (qq) "Plant" has the meaning provided in RCW 69.51A.010.
- 24 <u>(rr) "Authorization card" has the meaning provided in RCW</u> 25 69.51A.010.
- 26 **Sec. 5.** RCW 69.50.325 and 2014 c 192 s 2 are each amended to 27 read as follows:
- 28 (1) There shall be a marijuana producer's license to produce marijuana for sale at wholesale to marijuana processors and other 29 30 marijuana producers, regulated by the state liquor ((control)) and 31 cannabis board and subject to annual renewal. The production, possession, delivery, distribution, and sale of marijuana in 32 accordance with the provisions of this chapter ((3, Laws of 2013))33 and the rules adopted to implement and enforce it, by a validly 34 35 licensed marijuana producer, shall not be a criminal or civil offense under Washington state law. Every marijuana producer's license shall 36 be issued in the name of the applicant, shall specify the location at 37 38 which the marijuana producer intends to operate, which must be within the state of Washington, and the holder thereof shall not allow any 39

p. 10 2SSB 5052

other person to use the license. The application fee for a marijuana producer's license shall be two hundred fifty dollars. The annual fee for issuance and renewal of a marijuana producer's license shall be one thousand dollars. A separate license shall be required for each location at which a marijuana producer intends to produce marijuana.

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- (2) There shall be a marijuana processor's license to process, package, and label marijuana concentrates, useable marijuana, and marijuana-infused products for sale at wholesale to marijuana processors and marijuana retailers, regulated by the state liquor ((control)) and cannabis board and subject to annual renewal. The processing, packaging, possession, delivery, distribution, and sale of marijuana, useable marijuana, marijuana-infused products, and marijuana concentrates in accordance with the provisions of this chapter ((<del>3, Laws of 2013</del>)) and chapter 69.51A RCW and the rules adopted to implement and enforce ((it)) these chapters, by a validly licensed marijuana processor, shall not be a criminal or civil offense under Washington state law. Every marijuana processor's license shall be issued in the name of the applicant, shall specify the location at which 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 processor's license shall be two hundred fifty dollars. The annual fee for issuance and renewal of a marijuana processor's license shall be one thousand dollars. A separate license shall be required for each location at which a marijuana processor intends to process marijuana.
- (3) There shall be a marijuana retailer's license to sell marijuana concentrates, useable marijuana, and marijuana-infused products at retail in retail outlets, regulated by the state liquor ((control)) and cannabis board and subject to annual renewal. The possession, delivery, distribution, and sale of concentrates, useable marijuana, and marijuana-infused products in accordance with the provisions of this chapter ((3, Laws of 2013))and the rules adopted to implement and enforce it, by a validly licensed marijuana retailer, shall not be a criminal or civil offense under Washington state law. Every marijuana 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

p. 11 2SSB 5052

- marijuana retailer's license shall be two hundred fifty dollars. The annual fee for issuance and renewal of a marijuana retailer's license shall be one thousand dollars. A separate license shall be required for each location at which a marijuana retailer intends to sell marijuana concentrates, useable marijuana, and marijuana-infused
- 7 **Sec. 6.** RCW 69.50.331 and 2013 c 3 s 6 are each amended to read 8 as follows:

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products.

- (1) For the purpose of considering any application for a license to produce, process, or sell marijuana, or for the renewal of a license to produce, process, or sell marijuana, the state liquor ((control)) and cannabis board must conduct a comprehensive, fair, and impartial evaluation of the applications timely received.
  - (a) The state liquor and cannabis board must develop a competitive, merit-based application process that includes, at a minimum, the opportunity for an applicant to demonstrate experience and qualifications in the marijuana industry. Operating a collective garden before the effective date of this section and having a business license and a history of paying sales tax to the department of revenue may be factors used to establish the experience and qualifications of the applicant.
- (b) The state liquor and cannabis board may cause an inspection of the premises to be made, and may inquire into all matters in connection with the construction and operation of the premises. For the purpose of reviewing any application for a license and for considering the denial, suspension, revocation, or renewal or denial thereof, of any license, the state liquor ((control)) and cannabis board may consider any prior criminal conduct of the applicant including an administrative violation history record with the state liquor ((control)) and cannabis board and a criminal history record information check. The state liquor ((control)) and cannabis board may submit the criminal history record information check to the Washington state patrol and to the identification division of the federal bureau of investigation in order that these agencies may search their records for prior arrests and convictions of individual or individuals who filled out the forms. The state liquor ((control)) and cannabis board shall require fingerprinting of any applicant whose criminal history record information submitted to the federal bureau of investigation. The provisions of

p. 12 2SSB 5052

- 1 RCW 9.95.240 and of chapter 9.96A RCW shall not apply to these cases.
- 2 Subject to the provisions of this section, the state liquor
- 3 ((control)) and cannabis board may, in its discretion, grant or deny
- 4 the renewal or license applied for. Denial may be based on, without
- 5 limitation, the existence of chronic illegal activity documented in
- 6 objections submitted pursuant to subsections (7)(c) and (9) of this
- 7 section. Authority to approve an uncontested or unopposed license may
- 8 be granted by the state liquor ((control)) and cannabis board to any
- 9 staff member the board designates in writing. Conditions for granting
- 10 this authority shall be adopted by rule.
- 11 <u>(c)</u> No license of any kind may be issued to:
- 12  $((\frac{a}{a}))$  (i) A person under the age of twenty-one years;
- $((\frac{b}{b}))$  (ii) A person doing business as a sole proprietor who has not lawfully resided in the state for at least three months prior to
- 15 applying to receive a license;

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- 16 ((<del>(c)</del>)) <u>(iii)</u> A partnership, employee cooperative, association, 17 nonprofit corporation, or corporation unless formed under the laws of 18 this state, and unless all of the members thereof are qualified to 19 obtain a license as provided in this section; or
- 20 ((<del>(d)</del>)) <u>(iv)</u> A person whose place of business is conducted by a 21 manager or agent, unless the manager or agent possesses the same 22 qualifications required of the licensee.
  - (2)(a) The state liquor ((control)) and cannabis board may, in its discretion, subject to the provisions of RCW 69.50.334, suspend or cancel any license; and all protections of the licensee from criminal or civil sanctions under state law for producing, processing, or selling marijuana, useable marijuana, or marijuana-infused products thereunder shall be suspended or terminated, as the case may be.
  - (b) The state liquor ((control)) and cannabis board shall 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 shall be automatic upon the state liquor ((control)) and cannabis 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.
- 39 (c) The state liquor ((eontrol)) and cannabis board may request 40 the appointment of administrative law judges under chapter 34.12 RCW

p. 13 2SSB 5052

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, and to receive testimony in any inquiry, investigation, hearing, or proceeding in any part of the state, under rules and regulations the state liquor ((control)) and cannabis board may adopt.

- (d) Witnesses shall 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 state liquor ((eontrol)) and cannabis board or a subpoena issued by the state liquor ((eontrol)) and cannabis 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, shall compel 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 shall forthwith deliver up the license to the state liquor ((control)) and cannabis board. Where the license has been suspended only, the state liquor ((control)) and cannabis board shall return the license to the licensee at the expiration or termination of the period of suspension. The state liquor ((control)) and cannabis board shall notify all other 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, useable marijuana, or marijuana-infused products to be delivered to or for any person at the premises of the subject licensee.
- (4) Every license issued under chapter 3, Laws of 2013 shall be subject to all conditions and restrictions imposed by chapter 3, Laws of 2013 or by rules adopted by the state liquor ((control)) and cannabis board to implement and enforce chapter 3, Laws of 2013. All conditions and restrictions imposed by the state liquor ((control)) and cannabis board in the issuance of an individual license shall be

p. 14 2SSB 5052

- listed on the face of the individual license along with the trade name, address, and expiration date.
- 3 (5) Every licensee shall post and keep posted its license, or licenses, in a conspicuous place on the premises.

- (6) No licensee shall employ any person under the age of twenty-one years.
- (7)(a) Before the state liquor ((control)) and cannabis board issues a new or renewed license to an applicant it shall 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.
- (b) The incorporated city or town through the official or employee selected by it, or the county legislative authority or the official or employee selected by it, shall have the right to file with the state liquor ((control)) and cannabis 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 state liquor ((control)) and cannabis board may extend the time period for submitting written objections.
- (c) The written objections shall 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 state liquor ((control)) and cannabis board may in its discretion hold, a hearing subject to the applicable provisions of Title 34 RCW. If the state liquor ((control)) and cannabis 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, state liquor ((control)) and cannabis board representatives shall present and defend the state liquor ((control)) and cannabis board's initial decision to deny a license or renewal.
- (d) Upon the granting of a license under this title the state liquor ((control)) and cannabis board shall send written notification to the chief executive officer of the incorporated city or town in

p. 15 2SSB 5052

which the license is granted, or to the county legislative authority if the license is granted outside the boundaries of incorporated cities or towns.

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- (8) The state liquor ((control)) and cannabis board shall 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.
- (9) In determining whether to grant or deny a license or renewal 10 11 of any license, the state liquor ((control)) and cannabis board shall 12 give substantial weight to objections from an incorporated city or town or county legislative authority based upon chronic illegal 13 activity associated with the applicant's operations of the premises 14 proposed to be licensed or the applicant's operation of any other 15 16 licensed premises, or the conduct of the applicant's patrons inside 17 or outside the licensed premises. "Chronic illegal activity" means 18 (a) a pervasive pattern of activity that threatens the public health, 19 safety, and welfare of the city, town, or county including, but not limited to, open container violations, assaults, disturbances, 20 21 disorderly conduct, or other criminal law violations, documented in crime statistics, police reports, emergency medical 22 response data, calls for service, field data, or similar records of a 23 24 law enforcement agency for the city, town, county, or any other 25 municipal corporation or any state agency; or (b) an unreasonably 26 high number of citations for violations of RCW 46.61.502 associated with the applicant's or licensee's operation of any licensed premises 27 28 as indicated by the reported statements given to law enforcement upon 29 arrest.
- 30 **Sec. 7.** RCW 69.50.342 and 2013 c 3 s 9 are each amended to read 31 as follows:
- (1) For the purpose of carrying into effect the provisions of 32 chapter 3, Laws of 2013 according to their true intent or 33 supplying any deficiency therein, the state liquor ((control)) and 34 35 cannabis board may adopt rules not inconsistent with the spirit of chapter 3, Laws of 2013 as are deemed necessary or advisable. Without 36 37 limiting the generality of the preceding sentence, the state liquor ((control)) and cannabis board is empowered to adopt rules regarding 38 the following: 39

p. 16 2SSB 5052

((<del>(1)</del>)) <u>(a)</u> The equipment and management of retail outlets and premises where marijuana is produced or processed, and inspection of the retail outlets and premises <u>where marijuana is produced or processed;</u>

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- $((\frac{(2)}{2}))$  (b) The books and records to be created and maintained by licensees, the reports to be made thereon to the state liquor  $((\frac{\text{control}}{2}))$  and cannabis board, and inspection of the books and records;
- 9 ((<del>(3)</del>)) <u>(c)</u> Methods of producing, processing, and packaging 10 marijuana, useable marijuana, <u>marijuana concentrates</u>, and marijuana-11 infused products; conditions of sanitation; <u>safe handling</u> 12 <u>requirements</u>; approved pesticides and pesticide testing requirements; 13 and standards of ingredients, quality, and identity of marijuana, 14 useable marijuana, <u>marijuana concentrates</u>, and marijuana-infused 15 products produced, processed, packaged, or sold by licensees;
- 16 ((<del>(4)</del>)) <u>(d)</u> Security requirements for retail outlets and premises 17 where marijuana is produced or processed, and safety protocols for 18 licensees and their employees;
- 19  $((\frac{5}{}))$  <u>(e)</u> Screening, hiring, training, and supervising 20 employees of licensees;
- 21  $((\frac{6}{}))$  Retail outlet locations and hours of operation;
- ((<del>(7)</del>)) <u>(g)</u> Labeling requirements and restrictions on advertisement of marijuana, useable marijuana, <u>marijuana</u> concentrates, and marijuana-infused products <u>for sale in retail</u> <u>outlets</u>;
  - ((+8+)) (h) Forms to be used for purposes of this chapter ((3-Laws of 2013)) and chapter 69.51A RCW or the rules adopted to implement and enforce ((it)) these chapters, the terms and conditions to be contained in licenses issued under this chapter ((3-Laws of 2013)) and chapter 69.51A RCW, and the qualifications for receiving a license issued under this chapter ((3-Laws of 2013)) and chapter 69.51A RCW, including a criminal history record information check. The state liquor ((control)) and cannabis board may submit any criminal history record information check to the Washington state patrol and to the identification division of the federal bureau of investigation in order that these agencies may search their records for prior arrests and convictions of the individual or individuals who filled out the forms. The state liquor ((control)) and cannabis board shall require fingerprinting of any applicant whose criminal

p. 17 2SSB 5052

1 history record information check is submitted to the federal bureau 2 of investigation;

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- ((<del>(9)</del>)) <u>(i)</u> Application, reinstatement, and renewal fees for licenses issued under <u>this</u> chapter ((<del>3, Laws of 2013</del>)) <u>and chapter 69.51A RCW</u>, and fees for anything done or permitted to be done under the rules adopted to implement and enforce <u>this</u> chapter ((<del>3, Laws of 2013</del>)) and chapter 69.51A RCW;
- 8 ((<del>(10)</del>)) <u>(j)</u> The manner of giving and serving notices required by
  9 <u>this</u> chapter ((<del>3, Laws of 2013</del>)) <u>and chapter 69.51A RCW</u> or rules
  10 adopted to implement or enforce ((<del>it</del>)) <u>these chapters</u>;
- 11 ((<del>(11)</del>)) <u>(k)</u> Times and periods when, and the manner, methods, and
  12 means by which, licensees shall transport and deliver marijuana,
  13 <u>marijuana concentrates</u>, useable marijuana, and marijuana-infused
  14 products within the state;
  - ((\(\frac{(12)}{12}\)) (1) Identification, seizure, confiscation, destruction, or donation to law enforcement for training purposes of all marijuana, marijuana concentrates, useable marijuana, and marijuana-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 ((3, Laws of 2013)) or chapter 69.51A RCW or the rules adopted to implement and enforce ((it: PROVIDED, That nothing in chapter 3, Laws of 2013 shall be construed as authorizing the state liquor control board to seize, confiscate, destroy, or donate to law enforcement marijuana, useable marijuana, or marijuana infused products produced, processed, sold, offered for sale, or possessed in compliance with the Washington state medical use of cannabis act, chapter 69.51A RCW)) these chapters.
- 28 (2) Rules adopted on retail outlets holding medical marijuana 29 endorsements must be adopted in coordination and consultation with 30 the department.
- 31 **Sec. 8.** RCW 69.50.345 and 2013 c 3 s 10 are each amended to read 32 as follows:
- The state liquor ((control)) and cannabis board, subject to the provisions of this chapter ((3, Laws of 2013)), must adopt rules ((by December 1, 2013,)) that establish the procedures and criteria necessary to implement the following:
- 37 (1) Licensing of marijuana producers, marijuana processors, and 38 marijuana retailers, including prescribing forms and establishing 39 application, reinstatement, and renewal fees.

p. 18 2SSB 5052

- (a) Application forms for marijuana producers must request the applicant to state whether the applicant intends to produce marijuana for sale by marijuana retailers holding medical marijuana endorsements and the amount of or percentage of canopy the applicant intends to commit to growing plants determined by the department under section 10 of this act to be of a THC concentration, CBD concentration, or THC to CBD ratio appropriate for marijuana concentrates, useable marijuana, or marijuana-infused products sold to qualifying patients.
- (b) The state liquor and cannabis board must reconsider limits on 10 the amount of square feet permitted to be in production on the 11 effective date of this section and increase the percentage of 12 production space for those marijuana producers who intend to grow 13 plants for marijuana retailers holding medical marijuana endorsements 14 if the marijuana producer designates the increased production space 15 to plants determined by the department under section 10 of this act 16 to be of <u>a THC concentration</u>, <u>CBD concentration</u>, <u>or THC to CBD ratio</u> 17 appropriate for marijuana concentrates, useable marijuana, or 18 marijuana-infused products to be sold to qualifying patients. If 19 current marijuana producers do not use all the increased production 20 space, the state liquor and cannabis board may reopen the license 21 period for new marijuana producer license applicants but only to 22 23 those marijuana producers who agree to grow plants for marijuana retailers holding medical marijuana endorsements. Priority in 24 25 licensing must be given to marijuana producer license applicants who have an application pending on the effective date of this section but 26 who are not yet licensed and then to new marijuana producer license 27 28 applicants;
  - (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; ((and))
- (c) The provision of adequate access to licensed sources of marijuana concentrates, useable marijuana, and marijuana-infused products to discourage purchases from the illegal market; and
- (d) The number of retail outlets holding medical marijuana endorsements necessary to meet the medical needs of qualifying patients. The state liquor and cannabis board must reconsider the maximum number of retail outlets it established before the effective

p. 19 2SSB 5052

- date of this section 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;
  - (3) Determining the maximum quantity of marijuana a marijuana producer may have on the premises of a licensed location at any time without violating Washington state law;
  - (4) Determining the maximum quantities of marijuana, <u>marijuana</u> <u>concentrates</u>, useable marijuana, and marijuana-infused products a marijuana processor may have on the premises of a licensed location at any time without violating Washington state law;
  - (5) Determining the maximum quantities of <u>marijuana concentrates</u>, useable marijuana, and marijuana-infused products a marijuana retailer may have on the premises of a retail outlet at any time without violating Washington state law;
  - (6) In making the determinations required by ((subsections (3) through (5) of)) this section, the state liquor ((control)) and cannabis board shall take into consideration:
    - (a) Security and safety issues;

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- (b) The provision of adequate access to licensed sources of marijuana, <u>marijuana concentrates</u>, useable marijuana, and marijuana-infused products to discourage purchases from the illegal market; and
- (c) Economies of scale, and their impact on licensees' ability to both comply with regulatory requirements and undercut illegal market prices;
- (7) Determining the nature, form, and capacity of all containers to be used by licensees to contain marijuana, marijuana concentrates, useable marijuana, and marijuana-infused products, and their labeling requirements, to include but not be limited to:
- (a) The business or trade name and Washington state unified business identifier number of the licensees that grew, processed, and sold the marijuana, <u>marijuana concentrates</u>, useable marijuana, or marijuana-infused product;
- 34 (b) Lot numbers of the marijuana, <u>marijuana concentrates</u>, useable 35 marijuana, or marijuana-infused product;
- (c) THC concentration <u>and CBD concentration</u> of the marijuana, marijuana concentrates, useable marijuana, or marijuana-infused product;
- (d) Medically and scientifically accurate information about the health and safety risks posed by marijuana use; and

p. 20 2SSB 5052

(e) Language required by RCW 69.04.480;

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- (8) In consultation with the department of agriculture and the 2 classes 3 <u>department</u>, establishing of marijuana, marijuana concentrates, useable marijuana, and marijuana-infused products 4 according to grade, condition, cannabinoid profile, 5 6 concentration, CBD concentration, or other qualitative measurements 7 deemed appropriate by the state liquor ((control)) and cannabis board; 8
  - (9) Establishing reasonable time, place, and manner restrictions and requirements regarding advertising of marijuana, <u>marijuana</u> <u>concentrates</u>, useable marijuana, and marijuana-infused products that are not inconsistent with the provisions of <u>this</u> chapter ((<del>3, Laws of 2013</del>)), taking into consideration:
- 14 (a) Federal laws relating to marijuana that are applicable within 15 Washington state;
- 16 (b) Minimizing exposure of people under twenty-one years of age 17 to the advertising; ((and))
  - (c) The inclusion of medically and scientifically accurate information about the health and safety risks posed by marijuana use in the advertising; and
- 21 <u>(d) Ensuring that retail outlets with medical marijuana</u>
  22 <u>endorsements may advertise themselves as medical retail outlets;</u>
  - (10) Specifying and regulating the time and periods when, and the manner, methods, and means by which, licensees shall transport and deliver marijuana, marijuana concentrates, useable marijuana, and marijuana-infused products within the state;
  - (11) 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 ((control)) and cannabis board, and prescribing methods of producing, processing, and packaging marijuana, marijuana concentrates, useable marijuana, and marijuana-infused products; conditions of sanitation; and standards of ingredients, quality, and identity of marijuana, marijuana concentrates, useable marijuana, and marijuana-infused products produced, processed, packaged, or sold by licensees;
- 37 (12) Specifying procedures for identifying, seizing, 38 confiscating, destroying, and donating to law enforcement for 39 training purposes all marijuana, marijuana concentrates, useable 40 marijuana, and marijuana-infused products produced, processed,

p. 21 2SSB 5052

- 1 packaged, labeled, or offered for sale in this state that do not
- 2 conform in all respects to the standards prescribed by this chapter
- 3 ((<del>3, Laws of 2013</del>)) or the rules of the state liquor ((<del>control</del>)) <u>and</u>
- 4 cannabis board.

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- 5 **Sec. 9.** RCW 69.50.354 and 2014 c 192 s 3 are each amended to 6 read as follows:
- 7 There may be licensed, in no greater number in each of the counties of the state than as the state liquor ((control)) and 8 cannabis board shall deem advisable, retail outlets established for 9 the purpose of making marijuana concentrates, useable marijuana, and 10 marijuana-infused products available for sale to adults aged twenty-11 and over. Retail sale of marijuana concentrates, useable 12 marijuana, and marijuana-infused products in accordance with the 13 provisions of this chapter ((3, Laws of 2013)) and the rules adopted 14 15 to implement and enforce it, by a validly licensed marijuana retailer 16 or retail outlet employee, shall not be a criminal or civil offense 17 under Washington state law.
- NEW SECTION. Sec. 10. A new section is added to chapter 69.50 RCW to read as follows:
- (1) A medical marijuana endorsement to a marijuana retail license is hereby established to permit a marijuana retailer to sell marijuana for medical use to qualifying patients and designated providers.
  - (2) An applicant may apply for a medical marijuana endorsement concurrently with an application for a marijuana retail license.
    - (3) To be issued an endorsement, a marijuana retailer must:
  - (a) Not authorize the medical use of marijuana for qualifying patients at the retail outlet or permit health care professionals to authorize the medical use of marijuana for qualifying patients at the retail outlet;
  - (b) Carry marijuana concentrates and marijuana-infused products identified by the department under subsection (4) of this section;
- 33 (c) Not use labels or market marijuana concentrates, useable 34 marijuana, or marijuana-infused products in a way that make them 35 intentionally attractive to minors;
- 36 (d) Keep copies of the qualifying patient's or designated 37 provider's authorization card, or keep equivalent records as required 38 by rule of the state liquor and cannabis board or the department of

p. 22 2SSB 5052

- revenue to document the validity of tax exempt sales under sections and 38 of this act; and
- 3 (e) Meet other requirements as adopted by rule of the department 4 or the state liquor and cannabis board.

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- (4) The department, in conjunction with the state liquor and cannabis board, must adopt rules on requirements for marijuana concentrates, useable marijuana, and marijuana-infused products that may be sold to qualifying patients or designated providers at a retail outlet holding a medical marijuana endorsement. These rules must include:
- 11 (a) THC concentration, CBD concentration, or low THC, high CBD ratios appropriate for marijuana concentrates, useable marijuana, or marijuana-infused products sold to qualifying patients or designated providers;
  - (b) Labeling requirements including that the labels attached to marijuana concentrates, useable marijuana, or marijuana-infused products contain THC concentration, CBD concentration, and THC to CBD ratios;
  - (c) Other product requirements, including any additional mold, fungus, or pesticide testing requirements, or limitations to the types of solvents that may be used in marijuana processing that the department deems necessary to address the medical needs of qualifying patients;
- (d) Safe handling requirements for marijuana concentrates,useable marijuana, or marijuana-infused products; and
  - (e) Training requirements for employees.
  - (5) A marijuana retailer holding an endorsement to sell marijuana to qualifying patients or designated providers must train its employees on recognition of valid authorization cards as well as strains, varieties, THC concentration, CBD concentration, and THC to CBD ratios of marijuana concentrates, useable marijuana, and marijuana-infused products, available for sale when assisting qualifying patients and designated providers at the retail outlet.
- NEW SECTION. Sec. 11. A new section is added to chapter 69.50 RCW to read as follows:
- A marijuana retailer or a marijuana retailer holding a medical marijuana endorsement may sell products with a THC concentration of 0.3 percent or less. Marijuana retailers holding a medical marijuana

p. 23 2SSB 5052

- endorsement may also provide these products at no cost to qualifying patients or designated providers.
- **Sec. 12.** RCW 69.50.357 and 2014 c 192 s 4 are each amended to 4 read as follows:

- (1) Retail outlets shall sell no products or services other than marijuana concentrates, useable marijuana, marijuana-infused products, or paraphernalia intended for the storage or use of marijuana concentrates, useable marijuana, or marijuana-infused products.
- (2) Licensed marijuana retailers shall 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 may enter and remain on the premises of a retail outlet holding a medical marijuana endorsement and may purchase products for their personal medical use. Qualifying patients who are under the age of eighteen and who accompany their designated providers may enter and remain on the premises of a retail outlet holding a medical marijuana endorsement, but may not purchase products for their personal medical use.
- (3) (a) Licensed marijuana retailers must ensure that all employees are trained on the rules adopted to implement this chapter, identification of persons under the age of twenty-one, and other requirements adopted by the state liquor and cannabis board to ensure that persons under the age of twenty-one are not permitted to enter or remain on the premises of a retail outlet.
- (b) Licensed marijuana retailers with a medical marijuana endorsement must ensure that all employees are trained on the subjects required by (a) of this subsection as well as identification of authorization cards. Employees must also be trained to permit qualifying patients who hold authorization cards and are between the ages of eighteen and twenty-one to enter the premises and purchase marijuana for their personal medical use and to permit qualifying patients who are under the age of eighteen to enter the premises if accompanied by their designated providers.
- (4) Licensed marijuana retailers shall not display any signage in a window, on a door, or on the outside of the premises of a retail outlet that is visible to the general public from a public right-ofway, other than a single sign no larger than one thousand six hundred

p. 24 2SSB 5052

- square inches identifying the retail outlet by the licensee's business or trade name. <u>Retail outlets that hold medical marijuana</u> endorsements may include this information on signage.
- 4 ((\(\frac{(4)}{1}\)) (\(\frac{5}{2}\) Licensed marijuana retailers shall not display
  5 marijuana concentrates, useable marijuana, or marijuana-infused
  6 products in a manner that is visible to the general public from a
  7 public right-of-way.
- 8 ((<del>(5)</del>)) <u>(6)</u> No licensed marijuana retailer or employee of a 9 retail outlet shall open or consume, or allow to be opened or 10 consumed, any marijuana concentrates, useable marijuana, or 11 marijuana-infused product on the outlet premises.
- 12 ((<del>(6)</del>)) <u>(7)</u> The state liquor ((<del>control</del>)) <u>and cannabis</u> board shall 13 fine a licensee one thousand dollars for each violation of any 14 subsection of this section. Fines collected under this section must 15 be deposited into the dedicated marijuana fund created under RCW 16 69.50.530.
- 17 **Sec. 13.** RCW 69.50.360 and 2014 c 192 s 5 are each amended to 18 read as follows:
  - The following acts, when performed by a validly licensed marijuana retailer or employee of a validly licensed retail outlet in compliance with rules adopted by the state liquor ((control)) and cannabis board to implement and enforce chapter 3, Laws of 2013, shall not constitute criminal or civil offenses under Washington state law:
  - (1) Purchase and receipt of marijuana concentrates, useable marijuana, or marijuana-infused products that have been properly packaged and labeled from a marijuana processor validly licensed under this chapter ((3, Laws of 2013));
  - (2) Possession of quantities of marijuana concentrates, useable marijuana, or marijuana-infused products that do not exceed the maximum amounts established by the state liquor ((control)) and cannabis board under RCW 69.50.345(5); and
  - (3) Delivery, distribution, and sale, on the premises of the retail outlet, of any combination of the following amounts of marijuana concentrates, useable marijuana, or marijuana-infused product to any person twenty-one years of age or older:
    - (a) One ounce of useable marijuana;

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(b) Sixteen ounces of marijuana-infused product in solid form;

p. 25 2SSB 5052

- 1 (c) Seventy-two ounces of marijuana-infused product in liquid 2 form; or
- 3 (d) Seven grams of marijuana concentrate.

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- 4 **Sec. 14.** RCW 69.50.4013 and 2013 c 3 s 20 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.
- 14 (3) The possession, by a person twenty-one years of age or older, 15 of useable marijuana or marijuana-infused products in amounts that do 16 not exceed those set forth in RCW 69.50.360(3) is not a violation of 17 this section, this chapter, or any other provision of Washington 18 state law.
- 19 (4) The possession by a qualifying patient or designated provider
  20 of marijuana concentrates, useable marijuana, marijuana-infused
  21 products, or plants in accordance with chapter 69.51A RCW is not a
  22 violation of this section, this chapter, or any other provision of
  23 Washington state law.
- NEW SECTION. Sec. 15. A new section is added to chapter 69.50 RCW to read as follows:
  - Nothing in this chapter permits anyone other than a validly licensed marijuana processor to extract or separate resin from marijuana or to produce or process any form of marijuana concentrates or marijuana-infused products that include marijuana concentrates not purchased from a validly licensed marijuana retailer as an ingredient. The extraction or separation of resin from marijuana, the processing of marijuana concentrates, and the processing of marijuana-infused products that include marijuana concentrates not purchased from a validly licensed marijuana retailer as an ingredient by any person other than a validly licensed marijuana processor each constitute manufacture of marijuana in violation of RCW 69.50.401.

p. 26 2SSB 5052

- 1 **Sec. 16.** RCW 69.51A.005 and 2011 c 181 s 102 are each amended to read as follows:
  - (1) The legislature finds that:
  - (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 ((cannabis)) marijuana. Some of the conditions for which ((cannabis)) marijuana appears to be beneficial include, but are not limited to:
- 9 (i) Nausea, vomiting, and cachexia associated with cancer, HIV-10 positive status, AIDS, hepatitis C, anorexia, and their treatments;
- 11 (ii) Severe muscle spasms associated with multiple sclerosis, 12 epilepsy, and other seizure and spasticity disorders;
  - (iii) Acute or chronic glaucoma;
  - (iv) Crohn's disease; and

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- (v) Some forms of intractable pain.
- (b) Humanitarian compassion necessitates that the decision to use ((cannabis)) marijuana by patients with terminal or debilitating medical conditions is a personal, individual decision, based upon their health care professional's professional medical judgment and discretion.
- 21 (2) Therefore, the legislature intends that, so long as such 22 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 ((cannabis)) marijuana, shall not be arrested, prosecuted, or subject to other criminal sanctions or civil consequences under state law based solely on their medical use of ((cannabis)) marijuana, 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 ((cannabis)) marijuana; and
- 35 (c) Health care professionals shall also not be arrested, 36 prosecuted, or subject to other criminal sanctions or civil 37 consequences under state law for the proper authorization of medical 38 use of ((cannabis)) marijuana by qualifying patients for whom, in the 39 health care professional's professional judgment, the medical use of 40 ((cannabis)) marijuana may prove beneficial.

p. 27 2SSB 5052

- 1 (3) Nothing in this chapter establishes the medical necessity or 2 medical appropriateness of ((eannabis)) marijuana for treating 3 terminal or debilitating medical conditions as defined in RCW 69.51A.010.
- 5 (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 ((cannabis)) marijuana 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 ((cannabis)) marijuana in any correctional facility or jail.
- 12 **Sec. 17.** RCW 69.51A.010 and 2010 c 284 s 2 are each amended to 13 read as follows:
- 14 The definitions in this section apply throughout this chapter 15 unless the context clearly requires otherwise.
- 16 (1) "Designated provider" means a person who((÷
- 17  $\frac{(a)}{(a)}$ ) <u>is</u> ((eighteen)) <u>twenty-one</u> years of age or older $((\div$
- 18 <del>(b)</del>)) <u>and</u>:
- 19 <u>(a)(i) Is the parent or guardian of a qualifying patient who is</u> 20 under the age of eighteen; or
- 21 <u>(ii)</u> Has been designated in writing by a <u>qualifying</u> patient to 22 serve as a designated provider ((<del>under this chapter</del>)) <u>for that</u> 23 <u>patient;</u>
- (b) Beginning July 1, 2016, has been entered into the medical marijuana authorization database as being the designated provider to a qualifying patient and may only provide marijuana to that qualifying patient;
- 28 (c) <u>Beginning July 1, 2016, has been provided an authorization</u> 29 card;
- 30 <u>(d)</u> Is prohibited from consuming marijuana obtained for the 31 personal, medical use of the <u>qualifying</u> patient for whom the 32 individual is acting as designated provider; ((and
- (d))) (e) Is in compliance with the terms and conditions of this chapter; and
- (f) Is the designated provider to only one patient at any one time.
- 37 (2) "Health care professional," for purposes of this chapter 38 only, means a physician licensed under chapter 18.71 RCW, a physician 39 assistant licensed under chapter 18.71A RCW, an osteopathic physician

p. 28 2SSB 5052

- licensed under chapter 18.57 RCW, an osteopathic physicians' assistant licensed under chapter 18.57A RCW, a naturopath licensed
- 3 under chapter 18.36A RCW, or an advanced registered nurse 4 practitioner licensed under chapter 18.79 RCW.
  - (3) "Medical use of marijuana" means the <u>manufacture</u>, production, possession, <u>transportation</u>, <u>delivery</u>, <u>ingestion</u>, <u>application</u>, or administration of marijuana((, <u>as defined in RCW 69.50.101(q)</u>,)) for the exclusive benefit of a qualifying patient in the treatment of his or her terminal or debilitating ((<u>illness</u>)) <u>medical condition</u>.
  - (4) "Qualifying patient" means a person who:

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- 11 (a)(i) Is a patient of a health care professional;
- 12 ((<del>(b)</del>)) <u>(ii)</u> Has been diagnosed by that health care professional as having a terminal or debilitating medical condition;
- 14 (((e))) (iii) Is a resident of the state of Washington at the 15 time of such diagnosis;
- 16  $((\frac{d}{d}))$  (iv) Has been advised by that health care professional about the risks and benefits of the medical use of marijuana; ((and
  - (e))) (v) Has been advised by that health care professional that they may benefit from the medical use of marijuana;
- 20 <u>(vi) Beginning July 1, 2016, has been entered into the medical</u>
  21 <u>marijuana authorization database;</u>
- 22 <u>(vii) Beginning July 1, 2016, has been provided an authorization</u> 23 card; and
- 24 <u>(viii) Is otherwise in compliance with the terms and conditions</u> 25 <u>established in this chapter.</u>
  - (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.
- 31 (5) <u>Until July 1, 2016,</u> "tamper-resistant paper" means paper that 32 meets one or more 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 valid documentation.
- 39 (6) "Terminal or debilitating medical condition" means <u>a</u> 40 <u>condition severe enough to significantly interfere with the patient's</u>

p. 29 2SSB 5052

- 1 <u>activities of daily living and ability to function, which can be</u>
  2 <u>objectively assessed and evaluated and limited to the following:</u>
- 3 (a) Cancer, human immunodeficiency virus (HIV), multiple 4 sclerosis, epilepsy or other seizure disorder, or spasticity 5 disorders; ((or))
- 6 (b) Intractable pain, limited for the purpose of this chapter to
  7 mean pain unrelieved by standard medical treatments and medications;
  8 ((or))
- 9 (c) Glaucoma, either acute or chronic, limited for the purpose of 10 this chapter to mean increased intraocular pressure unrelieved by 11 standard treatments and medications; ((or))
- 12 (d) Crohn's disease with debilitating symptoms unrelieved by standard treatments or medications; ((or))
- 14 (e) Hepatitis C with debilitating nausea or intractable pain unrelieved by standard treatments or medications;  $((\Theta r))$
- (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; or
- 20 (g) Any other medical condition duly approved by the Washington 21 state medical quality assurance commission in consultation with the 22 board of osteopathic medicine and surgery as directed in this 23 chapter.
  - (7) <u>Until July 1, 2016</u>, "valid documentation" means:

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- (a) 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
- 29 (b) Proof of identity such as a Washington state driver's license 30 or identicard, as defined in RCW 46.20.035.
- 31 <u>(8) "Authorization card" means a card issued to qualifying</u>
  32 <u>patients and designated providers whose health care professionals</u>
  33 have entered them into the medical marijuana authorization database.
- 34 (9) "CBD concentration" means the percent of cannabidiol content 35 per dry weight of any part of the plant *Cannabis*, or per volume or 36 weight of marijuana product.
  - (10) "Department" means the department of health.
- 38 (11) "Marijuana" has the meaning provided in RCW 69.50.101.
- 39 <u>(12) "Marijuana concentrates" has the meaning provided in RCW</u> 40 69.50.101.

p. 30 2SSB 5052

- 1 (13) "Marijuana processor" has the meaning provided in RCW 2 69.50.101.
- 3 (14) "Marijuana producer" has the meaning provided in RCW 4 69.50.101.
- 5 (15) "Marijuana-infused products" has the meaning provided in RCW 6 69.50.101.
- 7 (16) "Medical marijuana authorization database" means the secure 8 and confidential database established in section 21 of this act.
- 9 (17) "Plant" means a marijuana plant having at least three 10 distinguishable and distinct leaves, each leaf being at least three 11 centimeters in diameter, and a readily observable root formation 12 consisting of at least two separate and distinct roots, each being at 13 least two centimeters in length. Multiple stalks emanating from the 14 same root ball or root system is considered part of the same single 15 plant.
- 16 (18) "THC concentration" has the meaning provided in RCW 17 69.50.101.
- 18 <u>(19) "Useable marijuana" has the meaning provided in RCW</u> 19 69.50.101.
- 20 (20) "Low THC, high CBD" means products determined by the 21 department to have a low THC, high CBD ratio under section 10 of this 22 act. Low THC, high CBD products must be inhalable, ingestible, or 23 absorbable.
- 24 **Sec. 18.** RCW 69.51A.030 and 2011 c 181 s 301 are each amended to 25 read as follows:
- (1) The following acts do not constitute crimes under state law 26 27 or unprofessional conduct under chapter 18.130 RCW, and a health care 28 professional may not be arrested, searched, prosecuted, disciplined, or subject to other criminal sanctions or civil consequences or 29 30 liability under state law, or have real or personal property 31 searched, seized, or forfeited pursuant to state law, notwithstanding any other provision of law as long as the health care professional 32 complies with subsection (2) of this section: 33
- 34 (a) Advising a patient about the risks and benefits of medical use of ((cannabis)) marijuana or that the patient may benefit from the medical use of ((cannabis)) marijuana; or
- (b) ((Providing)) Adding a patient or designated provider meeting the criteria established under RCW 69.51A.010(((26) with valid documentation)) (4) to the medical marijuana authorization database,

p. 31 2SSB 5052

based upon the health care professional's assessment of the patient's medical history and current medical condition, ((where such use is)) 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.

- (2)(a) <u>Until July 1, 2016, a</u> health care professional may ((only)) provide a <u>qualifying</u> patient <u>or that patient's designated</u> <u>provider</u> with valid documentation authorizing the medical use of ((cannabis or register the patient with the registry established in section 901 of this act if he or she has a newly initiated or existing documented relationship with the patient, as a primary care provider or a specialist, relating to the diagnosis and ongoing treatment or monitoring of the patient's terminal or debilitating medical condition, and only after:
- (i) Completing a)) marijuana in accordance with this section.
- (b) Beginning July 1, 2016, a health care professional may only authorize a patient for the medical use of marijuana by adding the qualifying patient and that patient's designated provider, if any, to the medical marijuana authorization database and in accordance with this section.
- (c) In order to authorize for the medical use of marijuana under
  (a) or (b) 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 ((as appropriate, based on the patient's condition and age));
  - (((ii) Documenting)) (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 ((cannabis)) marijuana;
  - (((iii) Informing)) (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; and
- 38 ((<del>(iv) Documenting</del>)) <u>(v) Document in the patient's medical record</u> 39 other measures attempted to treat the terminal or debilitating

p. 32 2SSB 5052

1 medical condition that do not involve the medical use of ((eannabis))
2 marijuana.

 $((\frac{b}{b}))$  (d) A health care professional shall not:

- (i) Accept, solicit, or offer any form of pecuniary remuneration from or to a ((licensed dispenser, licensed producer, or licensed processor of cannabis products)) marijuana retailer, marijuana processor, or marijuana 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 ((licensed dispenser, licensed producer, or licensed processor of cannabis products)) marijuana retailer;
- (iii) Examine or offer to examine a patient for purposes of diagnosing a terminal or debilitating medical condition at a location where ((cannabis)) marijuana is produced, processed, or ((dispensed)) sold;
- (iv) Have a business or practice which consists ((solely)) primarily of authorizing the medical use of ((cannabis)) marijuana or authorize the medical use of marijuana at any location other than his or her practice's permanent physical location;
- (v) ((Include any statement or reference, visual or otherwise, on the medical use of cannabis in any advertisement for his or her business or practice)) Except as provided in section 35 of this act, sell marijuana concentrates, marijuana-infused products, or useable marijuana to a qualifying patient or designated provider; or
- (vi) Hold an economic interest in an enterprise that produces, processes, or (( $\frac{dispenses\ cannabis}{dispenses\ cannabis}$ )) sells marijuana if the health care professional authorizes the medical use of (( $\frac{dispenses\ cannabis}{dispenses\ cannabis}$ )) marijuana.
- (3) ((A violation of any provision of subsection (2) of this section constitutes unprofessional conduct under chapter 18.130 RCW.)) Until July 1, 2016, a health care professional who, within a single calendar month, authorizes the medical use of marijuana to more than thirty patients must report the number of authorizations issued. The appropriate disciplining authority may inspect or request patient records to confirm compliance with this section. Failure to cooperate with a written request for patient records or failure to comply with the requirements of this section shall be grounds for disciplinary action under the uniform disciplinary act, chapter 18.130 RCW.

p. 33 2SSB 5052

- 1 (4) After a health care professional authorizes a qualifying 2 patient for the medical use of marijuana, he or she must discuss with 3 the qualifying patient how to use marijuana and the types of products 4 the qualifying patient should seek from a retail outlet.
- 5 <u>NEW SECTION.</u> **Sec. 19.** A new section is added to chapter 69.51A 6 RCW to read as follows:
- (1) As part of adding a qualifying patient or designated provider 7 to the medical marijuana authorization database, the health care 8 professional may include recommendations on the amount of marijuana 9 that is likely needed by the qualifying patient for his or her 10 11 medical needs and in accordance with subsection (2) of this section. If no recommendations are included when the qualifying patient or 12 13 designated provider is added to the database, the qualifying patient or designated provider may purchase at a retail outlet holding a 14 15 medical marijuana endorsement a combination of the following: Forty-16 eight ounces of marijuana-infused product in solid form; three ounces of useable marijuana; two hundred sixteen ounces of marijuana-infused 17 or twenty-one product liquid form; grams of marijuana 18 in concentrates. The qualifying patient or designated provider may also 19 grow, in his or her domicile, up to six plants for the personal 20 medical use of the qualifying patient and possess up to eight ounces 21 of useable marijuana produced from his or her plants. 22
  - (2) If a 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 may recommend 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 in his or her domicile. The number of plants must be entered into the medical marijuana authorization database by the authorizing health care professional.

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- NEW SECTION. Sec. 20. A new section is added to chapter 69.51A RCW to read as follows:
- 34 (1) Health care professionals may authorize the medical use of 35 marijuana for qualifying patients who are under the age of eighteen 36 if:
- 37 (a) The minor's parent or guardian participates in the minor's 38 treatment and agrees to the medical use of marijuana by the minor;

p. 34 2SSB 5052

- 1 (b) The parent or guardian acts as the designated provider for 2 the minor and has sole control over the minor's marijuana. However, 3 the minor may possess up to the amount of marijuana that is necessary 4 for his or her next dose; and
  - (c) The minor may not grow plants or purchase marijuana-infused products, useable marijuana, or marijuana concentrates from a marijuana retailer with a medical marijuana endorsement.

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- (2) A health care professional who authorizes the medical use of marijuana 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, the health care professional must:
- 13 (a) Consult with other health care providers involved in the 14 minor's treatment, as medically indicated, before authorization or 15 reauthorization of the medical use of marijuana;
- 16 (b) Reexamine the minor at least once every six months or more 17 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; and
- 21 (ii) Include a follow-up discussion with the minor's parent or 22 guardian to ensure the parent or guardian continues to participate in 23 the treatment of the minor;
- (c) Enter both the minor and the minor's parent or guardian who is acting as the designated provider in the medical marijuana authorization database.
- NEW SECTION. Sec. 21. A new section is added to chapter 69.51A RCW to read as follows:
- 29 (1) The department must contract with an entity to create, 30 administer, and maintain a secure and confidential medical marijuana 31 authorization database that, beginning July 1, 2016, allows:
  - (a) A health care professional to add a qualifying patient or designated provider and include the amount of marijuana concentrates, useable marijuana, marijuana-infused products, or plants for which the qualifying patient is authorized under section 19 of this act;
- 36 (b) Persons authorized to prescribe or dispense controlled 37 substances to access health care information on their patients for 38 the purpose of providing medical or pharmaceutical care for their 39 patients;

p. 35 2SSB 5052

(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 activity that may be illegal under Washington state law to confirm the validity of the authorization card of a qualifying patient or designated provider;
- (e) A marijuana retailer holding a medical marijuana endorsement to confirm the validity of the authorization card of a qualifying patient or designated provider;
- (f) The department of revenue to verify tax exemptions under chapters 82.08 and 82.12 RCW;
  - (g) The department and the health care professional's disciplining authorities to monitor authorizations and ensure compliance with this chapter and chapter 18.130 RCW by their licensees; and
- (h) Authorizations to expire six months or one year after entry into the medical marijuana authorization database, depending on whether the authorization is for a minor or an adult.
  - (2) A qualifying patient and his or her designated provider, if any, must be placed in the medical marijuana authorization database by the qualifying patient's health care professional. After a qualifying patient or designated provider is placed in the medical marijuana authorization database, he or she must be provided with an authorization card that contains identifiers required in subsection (3) of this section.
- (3) The authorization card requirements must be developed by the department in rule and include:
  - (a) A randomly generated and unique identifying number;
- 31 (b) For designated providers, the unique identifying number of 32 the qualifying patient whom the provider is assisting;
  - (c) A photograph of the qualifying patient's or designated provider's face taken by the authorizing health care professional in accordance with rules adopted by the department;
  - (d) The amount of marijuana concentrates, useable marijuana, marijuana-infused products, or plants for which the qualifying patient is authorized under section 19 of this act;
- 39 (e) The effective date and expiration date of the authorization 40 card;

p. 36 2SSB 5052

(f) The name of the health care professional who authorized the qualifying patient or designated provider; and

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- (g) For the authorization card, additional security features as necessary to ensure its validity.
- (4) For qualifying patients who are eighteen years of age or older and their designated providers, authorization cards are valid for one year from the date the health care professional enters the qualifying patient or designated provider in the medical marijuana authorization database. For qualifying patients who are under the age of eighteen and their designated providers, authorization cards are valid for six months from the date the health care professional enters the qualifying patient or designated provider in the medical marijuana authorization database. Qualifying patients may not be reentered into the medical marijuana authorization database until they have been reexamined by a health care professional and determined to meet the definition of qualifying patient. After reexamination, the health care professional must reenter the qualifying patient or designated provider into the medical marijuana authorization database and a new authorization card will then be issued in accordance with department rules.
- (5) If an authorization card is lost or stolen, the health care professional, 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 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 authorization card must be the same as the lost or stolen authorization card.
- (6) The database administrator must remove qualifying patients and designated providers from the medical marijuana authorization database upon expiration of the authorization card. Qualifying patients and designated providers may request to remove themselves from the medical marijuana authorization database before expiration of an authorization card and health care professionals may request to remove qualifying patients and designated providers from the medical marijuana authorization database if the patient or provider no longer qualifies for the medical use of marijuana. The database administrator must retain database records for at least five calendar

p. 37 2SSB 5052

1 years to permit the state liquor and cannabis board and the 2 department of revenue to verify eligibility for tax exemptions.

- (7) During development of the medical marijuana 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 agencies, and the University of Washington computer science and engineering security and privacy research lab or a certified cyber security firm, vendor, or service.
- 11 (8) The medical marijuana authorization database must meet the 12 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 authorization database is confidential and exempt from public disclosure, inspection, or copying under chapter 42.56 RCW.
    - (b) Information contained in the medical marijuana authorization database may be released in aggregate form, with all personally identifying information redacted, for the purpose of statistical analysis and oversight of agency performance and actions.
  - (c) Information contained in the medical marijuana authorization database shall not be shared with the federal government or its agents unless the particular patient or designated provider is convicted in state court for violating this chapter or chapter 69.50 RCW.

p. 38 2SSB 5052

1 (10) The department must, in coordination with the database 2 administrator, establish a fee that is adequate to cover the costs of 3 administrating the medical marijuana authorization database.

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- (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 dedicated marijuana fund created under RCW 69.50.530.
- 12 (12) The department may adopt rules to implement this section.
- NEW SECTION. Sec. 22. A new section is added to chapter 42.56 RCW to read as follows:
- Records in the medical marijuana authorization database established in section 21 of this act containing names and other personally identifiable information of qualifying patients and designated providers are exempt from disclosure under this chapter.
- 19 <u>NEW SECTION.</u> **Sec. 23.** A new section is added to chapter 69.51A 20 RCW to read as follows:
  - (1) It is unlawful for a person to knowingly or intentionally:
- 22 (a) Access the medical marijuana authorization database for any 23 reason not authorized under section 21 of this act;
  - (b) Disclose any information received from the medical marijuana authorization database in violation of section 21 of this act including, but not limited to, qualifying patient or designated provider names, addresses, or amount of marijuana for which they are authorized;
  - (c) Produce an authorization card or to tamper with an authorization card for the purpose of having it accepted by a marijuana retailer holding a medical marijuana endorsement in order to purchase marijuana as a qualifying patient or designated provider or to grow marijuana plants in accordance with this chapter;
- (d) If a person is a designated provider to a qualifying patient, sell, donate, or supply marijuana produced or obtained for the qualifying patient to another person, or use the marijuana produced or obtained for the qualifying patient for the designated provider's own personal use or benefit; or

p. 39 2SSB 5052

- 1 (e) If the person is a qualifying patient, sell, donate, otherwise supply marijuana produced or obtained by the qualifying 2 patient to another person. 3
- (2) A person who violates this section is guilty of a class C 4 felony and upon conviction may be imprisoned for not more than two 5 6 years, fined not more than two thousand dollars, or both.
- 7 Sec. 24. RCW 69.51A.040 and 2011 c 181 s 401 are each amended to read as follows: 8

The medical use of ((cannabis)) marijuana in accordance with the 9 10 terms and conditions of this chapter does not constitute a crime and a qualifying patient or designated provider in compliance with the 11 terms and conditions of this chapter may not be arrested, prosecuted, 12 13 possession, manufacture, or delivery of, or for possession with 14 15 intent to manufacture or deliver, ((cannabis)) marijuana under state 16 law, or have real or personal property seized or forfeited for possession, manufacture, or delivery of, or for possession with 17 intent to manufacture or deliver, ((cannabis)) marijuana under state 18 law, and investigating ((peace)) law enforcement officers and ((law 19 20 enforcement)) agencies may not be held civilly liable for failure to seize ((cannabis)) marijuana in this circumstance, if: 21

- (1)(a) The qualifying patient or designated provider holds a valid authorization card and possesses no more than ((fifteen cannabis plants and:
  - (i) No more than twenty-four ounces of useable cannabis;

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- (ii) No more cannabis product than what could reasonably be produced with no more than twenty-four ounces of useable cannabis; or
- (iii) A combination of useable cannabis and cannabis product that does not exceed a combined total representing possession and processing of no more than twenty-four ounces of useable cannabis)) the amount of marijuana concentrates, useable marijuana, plants, or marijuana-infused products authorized under this chapter.
- $((\frac{b}{b}))$  If a person is both a qualifying patient and a designated 33 34 provider for another qualifying patient, the person may possess no 35 more than twice the amounts described in  $((\frac{a)}{a})$  of this subsection)) section 19 of this act for the qualifying patient and designated provider, whether the plants, ((useable cannabis, and cannabis 37 product)) marijuana concentrates, useable marijuana, or marijuana-

p. 40 2SSB 5052

- infused products are possessed individually or in combination between the qualifying patient and his or her designated provider;
- $((\frac{2}{2}))$  The qualifying patient or designated provider 3 presents his or her ((proof of registration with the department of 4 health,)) authorization card to any ((peace)) law enforcement officer 6 who questions the patient or provider regarding his or her medical 7 use of ((cannabis)) marijuana;
  - $((\frac{3}{2}))$  (c) The qualifying patient or designated provider keeps a copy of his or her ((proof of registration with the registry established in section 901 of this act)) authorization card and the qualifying patient or designated provider's contact information posted prominently next to any ((cannabis)) plants, ((cannabis)) marijuana concentrates, marijuana-infused products, or useable ((cannabis)) marijuana located at his or her residence;
- $((\frac{4}{1}))$  (d) The investigating  $(\frac{peace}{1})$  law enforcement officer 15 does not possess evidence that: 16
- 17  $((\frac{a}{a}))$  (i) The designated provider has converted  $(\frac{annabis}{a})$ marijuana produced or obtained for the qualifying patient for his or 18 19 her own personal use or benefit; or
  - ((<del>(b)</del>)) <u>(ii)</u> The qualifying patient ((<del>has converted cannabis</del> produced or obtained for his or her own medical use to the qualifying patient's personal, nonmedical use or benefit)) sold, donated, or supplied marijuana to another person; and
  - (((5))) (e) The ((investigating peace of ficer does not possess)evidence that the)) designated provider has not served as a designated provider to more than one qualifying patient within a fifteen-day period; ((and
- 28  $\frac{(6)}{(6)}$ )) or

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- 29 (2) The ((investigating peace officer has not observed evidence of any of the circumstances identified in section 901(4))) qualifying 30 31 patient or designated provider participates in a cooperative as 32 provided in section 25 of this act.
- 33 NEW SECTION. Sec. 25. A new section is added to chapter 69.51A RCW to read as follows: 34
  - (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 only for the medical use of members of the cooperative. No more than four qualifying patients or designated providers may become members of a

p. 41 2SSB 5052 cooperative under this section and all members must hold valid authorization cards.

- (2) Cooperatives may not be located within fifteen miles of a marijuana retailer. People 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. This registration must include the names of all participating members and copies of each participant's authorization 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 products grown at that location. The state liquor and cannabis board must deny the registration of any cooperative if the location is within fifteen miles of a marijuana retailer.
- (3) 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.
- (4) 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 authorization cards, up to a maximum of sixty plants. At the location, the qualifying patients or designated providers may possess the amount of useable marijuana 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

p. 42 2SSB 5052

1 (e) May not sell, donate, or otherwise provide marijuana, 2 marijuana concentrates, useable marijuana, or marijuana-infused 3 products to a person who is not participating under this section.

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- (5) 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 authorization card must be kept at the location at all times.
- 8 (6) The state liquor and cannabis board may adopt rules to 9 implement this section including:
- 10 (a) Any security requirements necessary to ensure the safety of 11 the cooperative and to reduce the risk of diversion from the 12 cooperative;
  - (b) A seed to sale traceability model that is similar to the seed to sale traceability model used by licensees that will allow the state liquor and cannabis board to track all marijuana grown in a cooperative.
- 17 (7) The state liquor and cannabis board or law enforcement may 18 inspect a cooperative registered under this section to ensure members 19 are in compliance with this section. The state liquor and cannabis 20 board must adopt rules on reasonable inspection hours and reasons for 21 inspections.
- NEW SECTION. Sec. 26. A new section is added to chapter 69.51A RCW to read as follows:
  - (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 section 25 of this act.
    - (2) Neither the production nor processing of marijuana or marijuana-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.
- 34 (3) Cities, towns, counties, and other municipalities may create 35 and enforce civil penalties, including abatement procedures, for the 36 growing or processing of marijuana and for keeping marijuana plants 37 beyond or otherwise not in compliance with this section.

p. 43 2SSB 5052

NEW SECTION. Sec. 27. A new section is added to chapter 69.51A RCW to read as follows:

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- (1) Until the state liquor and cannabis board adopts rules under subsection (2) of this section, qualifying patients or designated providers may not extract or separate the resin from marijuana or produce or process any form of marijuana concentrates or marijuana-infused products that include marijuana concentrates not purchased from a validly licensed marijuana retailer as an ingredient.
- 10 (2) The state liquor and cannabis board must adopt rules 11 permitting qualifying patients and designated providers to extract or 12 separate the resin from marijuana using noncombustable methods. The 13 rules must provide the noncombustible methods permitted and any 14 restrictions on this practice.
- 15 **Sec. 28.** RCW 69.51A.045 and 2011 c 181 s 405 are each amended to 16 read as follows:
- 17 (1) A qualifying patient or designated provider in possession of ((cannabis)) plants, marijuana concentrates, useable ((cannabis)) 18 marijuana, or ((cannabis)) marijuana-infused products exceeding the 19 20 limits set forth in ((RCW 69.51A.040(1))) this chapter but otherwise 21 in compliance with all other terms and conditions of this chapter may establish an affirmative defense to charges of violations of state 22 23 law relating to ((cannabis)) marijuana through proof at trial, by a 24 preponderance of the evidence, that the qualifying patient's 25 necessary medical use exceeds the amounts set forth in RCW 26  $69.51A.040((\frac{1}{1}))$ .
- 27 (2) An investigating ((peace)) law enforcement officer may seize ((cannabis)) plants, marijuana concentrates, useable ((cannabis)) 28 marijuana, or ((cannabis)) marijuana-infused products exceeding the 29 30 amounts set forth in ((RCW 69.51A.040(1): PROVIDED, That)) this 31 <u>chapter</u>. In the case of ((<del>cannabis</del>)) plants, the qualifying patient or designated provider shall be allowed to select the plants that 32 will remain at the location. The officer and his or her law 33 enforcement agency may not be held civilly liable for failure to 34 35 seize ((cannabis)) marijuana in this circumstance.
- 36 **Sec. 29.** RCW 69.51A.055 and 2011 c 181 s 1105 are each amended 37 to read as follows:

p. 44 2SSB 5052

(1)(a) The arrest and prosecution protections established in RCW 69.51A.040 may not be asserted in a supervision revocation or violation hearing by a person who is supervised by a corrections agency or department, including local governments or jails, that has determined that the terms of this section are inconsistent with and contrary to his or her supervision.

- (b) The affirmative defenses established in RCW ((69.51A.043,)) 69.51A.045((-69.51A.047, -69.51A.047, -69.51A.047) may not be asserted in a supervision revocation or violation hearing by a person who is supervised by a corrections agency or department, including local governments or jails, that has determined that the terms of this section are inconsistent with and contrary to his or her supervision.
- (2) ((The provisions of)) RCW 69.51A.040((, 69.51A.085, and 69.51A.025 do)) does not apply to a person who is supervised for a criminal conviction by a corrections agency or department, including local governments or jails, that has determined that the terms of this chapter are inconsistent with and contrary to his or her supervision.
- (((3) A person may not be licensed as a licensed producer, licensed processor of cannabis products, or a licensed dispenser under section 601, 602, or 701 of this act if he or she is supervised for a criminal conviction by a corrections agency or department, including local governments or jails, that has determined that licensure is inconsistent with and contrary to his or her supervision.))
- **Sec. 30.** RCW 69.51A.060 and 2011 c 181 s 501 are each amended to 28 read as follows:
- 29 (1) It shall be a class 3 civil infraction to use or display 30 medical ((cannabis)) marijuana in a manner or place which is open to 31 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 ((cannabis)) marijuana. Such entities may enact coverage or noncoverage criteria or related policies for payment or nonpayment of medical ((cannabis)) marijuana in their sole discretion.

p. 45 2SSB 5052

1 (3) Nothing in this chapter requires any health care professional 2 to authorize the medical use of ((cannabis)) marijuana for a patient.

- (4) Nothing in this chapter requires any accommodation of any onsite medical use of ((cannabis)) marijuana in any place of employment, in any school bus or on any school grounds, in any youth center, in any correctional facility, or smoking ((cannabis)) marijuana in any public place or hotel or motel. However, a school may permit a minor who meets the requirements of section 20 of this act to consume marijuana on school grounds. Such use must be in accordance with school policy relating to medication use on school grounds.
- (5) Nothing in this chapter authorizes the possession or use of marijuana, marijuana concentrates, useable marijuana, or marijuana-infused products on federal property.
- $((\frac{5}{)}))$  (6) Nothing in this chapter authorizes the use of medical  $((\frac{5}{)}))$  marijuana by any person who is subject to the Washington code of military justice in chapter 38.38 RCW.
  - $((\frac{(6)}{(6)}))$  <u>(7)</u> Employers may establish drug-free work policies. Nothing in this chapter requires an accommodation for the medical use of  $((\frac{cannabis}{(an arijuana}))$  marijuana if an employer has a drug-free workplace.
    - (((7) It is a class C felony to fraudulently produce any record purporting to be, or tamper with the content of any record for the purpose of having it accepted as, valid documentation under RCW 69.51A.010(32)(a), or to backdate such documentation to a time earlier than its actual date of execution.))
    - (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 ((cannabis)) marijuana in a way that endangers the health or wellbeing 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.
- **Sec. 31.** RCW 69.51A.070 and 2007 c 371 s 7 are each amended to read as follows:

The Washington state medical quality assurance commission in consultation with the board of osteopathic medicine and surgery, or other appropriate agency as designated by the governor, shall accept for consideration petitions submitted to add terminal or debilitating conditions to those included in this chapter. In considering such

p. 46 2SSB 5052

- 1 petitions, the Washington state medical quality assurance commission in consultation with the board of osteopathic medicine and surgery 2 shall include public notice of, and an opportunity to comment in a 3 public hearing upon, such petitions. The Washington state medical 4 quality assurance commission in consultation with the board of 5 6 osteopathic medicine and surgery may make a preliminary finding of good cause before the public hearing and shall, after hearing, 7 approve or deny such petitions within ((one)) two hundred ((eighty)) 8 ten days of submission. The approval or denial of such a petition 9 shall be considered a final agency action, subject to judicial 10 11 review.
- 12 **Sec. 32.** RCW 69.51A.085 and 2011 c 181 s 403 are each amended to 13 read as follows:

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- (1) Qualifying patients may create and participate in collective gardens for the purpose of producing, processing, transporting, and delivering ((cannabis)) marijuana for medical use subject to the following conditions:
- 18 (a) No more than ten qualifying patients may participate in a 19 single collective garden at any time;
  - (b) No person under the age of twenty-one may participate in a collective garden or receive marijuana that was produced, processed, transported, or delivered through a collective garden. A designated provider for a person who is under the age of twenty-one may participate in a collective garden on behalf of the person under the age of twenty-one;
- 26 <u>(c)</u> A collective garden may contain no more than fifteen plants 27 per patient up to a total of forty-five plants;
- ((\(\frac{(c)}{c}\)) (\(\frac{d}{c}\)) A collective garden may contain no more than twentyfour ounces of useable ((\(\frac{cannabis}{cannabis}\))) marijuana per patient up to a
  total of seventy-two ounces of useable ((\(\frac{cannabis}{cannabis}\))) marijuana;
- 31 ((\(\frac{(d)}{d}\))) (e) A copy of each qualifying patient's valid 32 documentation ((\(\frac{or}{proof}\) of registration with the registry 33 established in section 901 of this act)), including a copy of the 34 patient's proof of identity, must be available at all times on the 35 premises of the collective garden; and
- ((<del>(e)</del>)) <u>(f)</u> No useable ((<del>cannabis</del>)) <u>marijuana</u> from the collective garden is delivered to anyone other than one of the qualifying patients participating in the collective garden.

p. 47 2SSB 5052

(2) For purposes of this section, the creation of a "collective garden" means qualifying patients sharing responsibility for acquiring and supplying the resources required to produce and process cannabis for medical use such as, for example, a location for a collective garden; equipment, supplies, and labor necessary to plant, grow, and harvest ((cannabis; cannabis)) marijuana plants, seeds, and cuttings; and equipment, supplies, and labor necessary for proper construction, plumbing, wiring, and ventilation of a garden of ((cannabis)) marijuana plants.

- 10 (3) A person who knowingly violates a provision of subsection (1) 11 of this section is not entitled to the protections of this chapter.
- NEW SECTION. Sec. 33. A new section is added to chapter 69.50 RCW to read as follows:
- 14 (1) The state liquor and cannabis board may conduct controlled 15 purchase programs to determine whether:
  - (a) A marijuana retailer is unlawfully selling marijuana to persons under the age of twenty-one;
  - (b) A marijuana retailer holding a medical marijuana 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 authorization cards;
- (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 section 25 of this act 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 is guilty of a violation of this chapter or chapter 69.51A RCW. This section does not apply to:
  - (a) Persons between the ages of eighteen and twenty-one who hold valid authorization cards and purchase marijuana at a marijuana retail outlet holding a medical marijuana 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.
- 38 (3) A marijuana retailer who conducts an in-house controlled 39 purchase program authorized under this section shall provide his or

p. 48 2SSB 5052

her employees a written description of the employer's in-house controlled purchase program. The written description must 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 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 retailer may not terminate an employee solely for a first-time failure to comply with company policies regarding the sale of marijuana during an in-house controlled purchase program authorized under this section.
- (5) Every person between the ages of eighteen and twenty-one who is convicted of a violation of this section is guilty of a misdemeanor punishable as provided by RCW 9A.20.021, except that a minimum fine of two hundred fifty dollars shall be imposed and any sentence requiring community restitution shall require not fewer than twenty-five hours of community restitution.
- **Sec. 34.** RCW 69.51A.100 and 2011 c 181 s 404 are each amended to 19 read as follows:
  - (1) A qualifying patient may revoke his or her designation of a specific <u>designated</u> provider and designate a different <u>designated</u> provider at any time. A revocation of designation must be in writing, signed and dated, and provided to the medical marijuana authorization <u>database administrator and designated provider</u>. 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 <u>by revoking that designation in writing</u>, signed and dated, and provided to the medical marijuana <u>authorization database administrator and the qualifying patient</u>. 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 provider.
  - (3) The department may adopt rules to implement this section, including a procedure to remove the name of the designated provider from the medical marijuana authorization database upon receipt of a revocation under this section.

p. 49 2SSB 5052

- NEW SECTION. Sec. 35. A new section is added to chapter 69.51A RCW to read as follows:
- Neither this chapter nor chapter 69.50 RCW prohibits a health care professional from selling or donating topical, noningestable products that have a THC concentration of less than .3 percent to qualifying patients.
- NEW SECTION. Sec. 36. A new section is added to chapter 69.51A RCW to read as follows:

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- A medical marijuana consultant certificate is hereby established.
- 10 (1) In addition to any other authority provided by law, the 11 secretary of the department may:
- 12 (a) Adopt rules, in accordance with chapter 34.05 RCW, necessary 13 to implement this chapter;
- 14 (b) Establish forms and procedures necessary to administer this 15 chapter;
- 16 (c) Approve training or education programs that meet the 17 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 background check through the state patrol prior to the issuance of any certificate. The background check may be fingerprint-based at the discretion of the department;
  - (e) Establish administrative procedures, administrative requirements, and fees in accordance with RCW 43.70.250; and
- 27 (f) Maintain the official department record of all applicants and 28 certificate holders.
- 29 (2) A training or education program approved by the secretary 30 must include the following topics:
- 31 (a) The medical conditions that constitute terminal or 32 debilitating conditions, and the symptoms of those conditions;
  - (b) Short and long-term effects of cannabinoids;
- 34 (c) Products that may benefit qualifying patients based on the 35 patient's terminal or debilitating medical condition;
  - (d) Risks and benefits of various routes of administration;
- 37 (e) Safe handling and storage of useable marijuana, marijuana-38 infused products, and marijuana concentrates, including strategies to 39 reduce access by minors;

p. 50 2SSB 5052

1 (f) Demonstrated knowledge of this chapter and the rules adopted 2 to implement it; and

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- (g) Other subjects deemed necessary and appropriate by the secretary to ensure medical marijuana consultant certificate holders are able to provide evidence-based and medically accurate advice on the medical use of marijuana.
- (3) Medical marijuana consultant certificates are subject to annual renewals and continuing education requirements established by the secretary.
- 10 (4) The secretary shall have the power to refuse, suspend, or 11 revoke the certificate of any medical marijuana consultant upon proof 12 that:
- 13 (a) The certificate was procured through fraud, 14 misrepresentation, or deceit;
- 15 (b) The certificate holder has committed acts in violation of 16 subsection (6) of this section; or
- 17 (c) The certificate holder has violated or has permitted any 18 employee or volunteer to violate any of the laws of this state 19 relating to drugs or controlled substances or has been convicted of a 20 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 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 endorsement under section 10 of this act:
  - (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; and
  - (d) Advising a customer about the safe handling and storage of useable marijuana, marijuana-infused products, and marijuana concentrates, including strategies to reduce access by minors.
- 39 (6) Nothing in this section authorizes a medical marijuana 40 consultant to:

p. 51 2SSB 5052

- 1 (a) Offer or undertake to diagnose or cure any human disease, 2 ailment, injury, infirmity, deformity, pain, or other condition, 3 physical or mental, real or imaginary, by use of marijuana or any 4 other means or instrumentality; or
- 5 (b) Recommend or suggest modification or elimination of any 6 course of treatment that does not involve the medical use of 7 marijuana.

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- (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 endorsement under section 10 of this act to obtain a medical marijuana consultant certification.
- 12 (8) Nothing in this section applies to the practice of a health 13 care profession by individuals who are licensed, certified, or 14 registered in a profession listed in RCW 18.130.040(2) and who are 15 performing services within their authorized scope of practice.
- NEW SECTION. Sec. 37. A new section is added to chapter 82.08 RCW to read as follows:
  - (1) The tax levied by RCW 82.08.020 shall not apply to:
  - (a) Beginning July 1, 2016, sales of marijuana concentrates, useable marijuana, or marijuana-infused products identified by the department of health under section 10 of this act to be beneficial for medical use by marijuana retailers holding medical marijuana endorsements to qualifying patients or designated providers who hold authorization cards;
    - (b) Beginning July 1, 2016, sales of products containing THC with a THC concentration of 0.3 percent or less to qualifying patients or designated providers who hold authorization cards by marijuana retailers holding medical marijuana endorsements;
    - (c) Beginning July 1, 2016, sales of marijuana concentrates, useable marijuana, or marijuana-infused products identified by the department of health under section 10 of this act to have a low THC, high CBD ratio and to be beneficial for medical use by marijuana retailers, regardless of whether the buyer is a qualifying patient or designated provider;
- 35 (d) Beginning July 1, 2016, sales of products containing THC with 36 a THC concentration of 0.3 percent or less by health care 37 professionals under section 35 of this act; or
- (e) From the effective date of this section until July 1, 2016, sales of marijuana, marijuana concentrates, useable marijuana,

p. 52 2SSB 5052

- marijuana-infused products, or products containing THC with a THC concentration of 0.3 percent or less, by collective gardens under RCW 69.51A.085 to qualifying patients or designated providers if such sales are in compliance with chapter 69.51A RCW.
- 5 (2) Each seller making exempt sales under subsection (1) of this 6 section must maintain information establishing the purchaser's 7 eligibility for the exemption in the form and manner required by the 8 department.
  - (3) For the purposes of this section:

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- 10 (a) The terms "THC concentration," "marijuana," "marijuana 11 concentrates," "useable marijuana," "marijuana retailer," and 12 "marijuana-infused products" have the meaning provided in RCW 13 69.50.101 and the terms "qualifying patients," "designated 14 providers," and "authorization card" have the meaning provided in RCW 15 69.51A.010; and
- 16 (b) "Products containing THC with a THC concentration of 0.3
  17 percent or less" means all products containing THC with a THC
  18 concentration not exceeding 0.3 percent and that, when used as
  19 intended, are inhalable, ingestible, or absorbable.
- NEW SECTION. Sec. 38. A new section is added to chapter 82.12 RCW to read as follows:
  - (1) From the effective date of this section until July 1, 2016, the provisions of this chapter shall not apply to the use of marijuana, marijuana concentrates, useable marijuana, marijuana-infused products, or products containing THC with a THC concentration of 0.3 percent or less, by a collective garden under RCW 69.51A.085 and the qualifying patients or designated providers participating in the collective garden if such use is in compliance with chapter 69.51A RCW.
- 30 (2) Beginning July 1, 2016, the provisions of this chapter shall not apply to:
  - (a) The use of marijuana concentrates, useable marijuana, or marijuana-infused products, identified by the department of health under section 10 of this act to be beneficial for medical use of marijuana, by qualifying patients or designated providers who hold authorization cards and have purchased such products from a marijuana retailer holding a medical marijuana endorsement.
- 38 (b) The use of products containing THC with a THC concentration 39 of 0.3 percent or less by qualifying patients or designated providers

p. 53 2SSB 5052

who hold authorization cards and have purchased such products from a marijuana retailer holding a medical marijuana endorsement.

- 3 (c)(i) Marijuana retailers holding a medical marijuana 4 endorsement with respect to:
  - (A) Marijuana concentrates, useable marijuana, or marijuana-infused products; or
  - (B) Products containing THC with a THC concentration of 0.3 percent or less;
    - (ii) The exemption in this subsection (2)(c) applies only if such products are provided at no charge to a qualifying patient or designated provider who holds an authorization card. Each such 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 concentrates, useable marijuana, or marijuana-infused products, identified by the department of health under section 10 of this act to have a low THC, high CBD ratio and to be beneficial for medical use, purchased from marijuana retailers.
    - (e) Health care professionals with respect to the use of products containing THC with a THC concentration of 0.3 percent or less donated by the health care professionals under section 35 of this act. 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 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 section 35 of this act.
    - (g) The use of marijuana, marijuana concentrates, useable marijuana, marijuana-infused 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.
      - (3) For the purposes of this section:
- 34 (a) The terms "THC concentration," "marijuana," "marijuana concentrates," "useable marijuana," "marijuana retailer," and "marijuana-infused products" have the meaning provided in RCW 69.50.101 and the terms "qualifying patients," "designated providers," and "authorization card" have the meaning provided in RCW 69.51A.010;

p. 54 2SSB 5052

- 1 (b) "Cooperative" means a cooperative authorized by and operating 2 in compliance with section 25 of this act and any rules adopted by 3 the state liquor and cannabis board under section 25 of this act; and
- 4 (c) "Products containing THC with a THC concentration of 0.3 percent or less" has the same meaning as in section 37 of this act.
- 6 <u>NEW SECTION.</u> **Sec. 39.** A new section is added to chapter 82.04 7 RCW to read as follows:
- 8 (1) This chapter does not apply to any cooperative in respect to 9 growing marijuana, or manufacturing marijuana concentrates, useable 10 marijuana, or marijuana-infused products, as those terms are defined 11 in RCW 69.50.101.
- 12 (2) For purposes of this section, "cooperative" has the same 13 meaning provided in section 38 of this act.
- 14 <u>NEW SECTION.</u> **Sec. 40.** (1) The legislature finds marijuana use 15 for qualifying patients is a valid and necessary option health care professionals may recommend for their patients. The legislature 16 17 finds that although there is a distinction between further recreational and medical use of marijuana, the changing environment 18 19 for recreational marijuana use in Washington will also affect qualifying patients. The legislature further finds 20 that while recognizing the difference between recreational and medical use of 21 marijuana, it is imperative to develop a single, comprehensive 22 23 regulatory scheme for marijuana use in the state. Acknowledging that 24 the implementation of this act may result in changes to how qualifying patients access marijuana for their medical use, the 25 26 legislature intends to ease the transition towards a regulated market and provide a statutory means for a safe, consistent, and secure 27 source of marijuana for qualifying patients. Therefore, the 28 29 legislature intends to provide qualifying patients a retail sales and 30 use tax exemption on purchases of marijuana for medical use when authorized by a health care professional and when purchased at a 31 marijuana retailer with a medical marijuana endorsement. Because 32 marijuana is neither a prescription medicine nor an over-the-counter 33 medication, this policy should in no way be construed as precedence 34 for changes in the treatment of prescription medications or over-the-35 counter medications. 36
- 37 (2)(a) This section is the tax preference performance statement 38 for the retail sales and use tax exemptions for marijuana

p. 55 2SSB 5052

- concentrates, useable marijuana, and marijuana-infused products purchased by qualifying patients provided in sections 37 and 38 of this act. The performance statement is only intended to be used for subsequent evaluation of the tax preference. It is not intended to create a private right of action by any party or be used to determine eligibility for preferential tax treatment.
  - (b) The legislature categorizes the tax preference as one intended to accomplish the general purposes indicated in RCW 82.32.808(2)(e).

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- (c) It is the legislature's specific public policy objective to provide qualifying patients a retail sales and use tax exemption on purchases of marijuana concentrates, useable marijuana, and marijuana-infused products for medical use when qualifying patients hold a valid authorization card. It is also the legislature's specific public policy objective to provide a retail sales and use tax exemption for all people who purchase low THC, high CBD products. These products are more likely to be beneficial to those who use marijuana for medical use and are not likely to appeal to nonmedical users.
- 20 (d) To measure the effectiveness of the exemption provided in sections 37 and 38 of this act in achieving the specific public policy objectives described in (c) of this subsection, the joint legislative audit and review committee must evaluate the actual fiscal impact of the sales and use tax exemption compared to the estimated impact in the fiscal note for this act.
  - (3) For the purposes of this section, the terms "authorization card," "marijuana retailer," "qualifying patient," "low THC, high CBD," and "health care professional" have the meaning provided in RCW 69.51A.010 and the terms "marijuana concentrates," "useable marijuana," "marijuana retailer," and "marijuana-infused products" have the meaning provided in RCW 69.50.101.
- NEW SECTION. **Sec. 41.** (1) The department of health must develop recommendations on establishing medical marijuana specialty clinics that would allow for the authorization and dispensing of marijuana to patients of health care professionals who work on-site of the clinic and who are certified by the department of health in the medical use of marijuana.

p. 56 2SSB 5052

- 1 (2) Recommendations must be reported to the chairs of the health
- 2 care committees of both the senate and house of representatives by
- 3 December 1, 2015.
- 4 <u>NEW SECTION.</u> **Sec. 42.** All references to the Washington state
- 5 liquor control board must be construed as referring to the Washington
- 6 state liquor and cannabis board. The code reviser must prepare
- 7 legislation for the 2016 legislative session changing all references
- 8 in the Revised Code of Washington from the Washington state liquor
- 9 control board to the Washington state liquor and cannabis board.
- 10 <u>NEW SECTION.</u> **Sec. 43.** The following acts or parts of acts are
- 11 each repealed:
- 12 (1) RCW 69.51A.020 (Construction of chapter) and 2011 c 181 s 103
- 13 & 1999 c 2 s 3;
- 14 (2) RCW 69.51A.025 (Construction of chapter—Compliance with RCW
- 15 69.51A.040) and 2011 c 181 s 413;
- 16 (3) RCW 69.51A.047 (Failure to register or present valid
- documentation—Affirmative defense) and 2011 c 181 s 406;
- 18 (4) RCW 69.51A.090 (Applicability of valid documentation
- 19 definition) and 2010 c 284 s 5;
- 20 (5) RCW 69.51A.140 (Counties, cities, towns—Authority to adopt
- 21 and enforce requirements) and 2011 c 181 s 1102; and
- 22 (6) RCW 69.51A.200 (Evaluation) and 2011 c 181 s 1001.
- 23 <u>NEW SECTION.</u> **Sec. 44.** The following acts or parts of acts are
- 24 each repealed:
- 25 (1) RCW 69.51A.043 (Failure to register—Affirmative defense) and
- 26 2011 c 181 s 402; and
- 27 (2) RCW 69.51A.085 (Collective gardens) and 2015 c ... s 32
- 28 (section 32 of this act) and 2011 c 181 s 403.
- 29 <u>NEW SECTION.</u> **Sec. 45.** Sections 12, 19, 20, 23, 24, 25, 30, 34,
- 30 and 44 of this act take effect July 1, 2016.
- 31 NEW SECTION. Sec. 46. Sections 21, 22, 32, and 33 of this act
- 32 are necessary for the immediate preservation of the public health, or

p. 57 2SSB 5052

- 1 safety, or support of the state government and its existing public
- 2 institutions, and take effect immediately.

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p. 58 2SSB 5052