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**SUBSTITUTE SENATE BILL 5131**

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**State of Washington**

**65th Legislature**

**2017 Regular Session**

**By** Senate Commerce, Labor & Sports (originally sponsored by Senators Rivers and Conway; by request of Liquor and Cannabis Board)

READ FIRST TIME 02/06/17.

1 AN ACT Relating to marijuana with respect to privileges for  
2 research licenses, local authority notifications, the retail  
3 licensing merit-based application process, processor wholesale  
4 events, certain transfers of plants and seeds, licensing agreements  
5 and contracts, residency requirements, and jurisdictional  
6 requirements; amending RCW 69.50.325, 69.50.331, 69.50.372,  
7 66.08.100, 69.50.366, 69.50.382, and 69.51A.250; reenacting and  
8 amending RCW 42.56.270 and 69.50.101; adding a new section to chapter  
9 69.50 RCW; adding a new section to chapter 69.51A RCW; and creating a  
10 new section.

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

12 **Sec. 1.** RCW 69.50.325 and 2016 c 170 s 1 are each amended to  
13 read as follows:

14 (1) There shall be a marijuana producer's license regulated by  
15 the state liquor and cannabis board and subject to annual renewal.  
16 The licensee is authorized to produce: (a) Marijuana for sale at  
17 wholesale to marijuana processors and other marijuana producers ((and  
18 to produce marijuana)); (b) immature plants or clones and seeds for  
19 sale to cooperatives as described under RCW 69.51A.250((, regulated  
20 by the state liquor and cannabis board and subject to annual  
21 renewal)); and (c) immature plants or clones and seeds for sale to

1 qualifying patients and designated providers as described under  
2 section 11 of this act. The production, possession, delivery,  
3 distribution, and sale of marijuana in accordance with the provisions  
4 of this chapter and the rules adopted to implement and enforce it, by  
5 a validly licensed marijuana producer, shall not be a criminal or  
6 civil offense under Washington state law. Every marijuana producer's  
7 license shall be issued in the name of the applicant, shall specify  
8 the location at which the marijuana producer intends to operate,  
9 which must be within the state of Washington, and the holder thereof  
10 shall not allow any other person to use the license. The application  
11 fee for a marijuana producer's license shall be two hundred fifty  
12 dollars. The annual fee for issuance and renewal of a marijuana  
13 producer's license shall be one thousand dollars. A separate license  
14 shall be required for each location at which a marijuana producer  
15 intends to produce marijuana.

16 (2) There shall be a marijuana processor's license to process(~~(~~  
17 ~~package, and label~~)) marijuana concentrates, useable marijuana, and  
18 marijuana-infused products for sale at wholesale to marijuana  
19 processors and process, package, and label marijuana concentrates,  
20 useable marijuana, and marijuana-infused products for wholesale to  
21 marijuana retailers, regulated by the state liquor and cannabis board  
22 and subject to annual renewal. The processing, packaging, possession,  
23 delivery, distribution, and sale of marijuana, useable marijuana,  
24 marijuana-infused products, and marijuana concentrates in accordance  
25 with the provisions of this chapter and chapter 69.51A RCW and the  
26 rules adopted to implement and enforce these chapters, by a validly  
27 licensed marijuana processor, shall not be a criminal or civil  
28 offense under Washington state law. Every marijuana processor's  
29 license shall be issued in the name of the applicant, shall specify  
30 the location at which the licensee intends to operate, which must be  
31 within the state of Washington, and the holder thereof shall not  
32 allow any other person to use the license. The application fee for a  
33 marijuana processor's license shall be two hundred fifty dollars. The  
34 annual fee for issuance and renewal of a marijuana processor's  
35 license shall be one thousand dollars. A separate license shall be  
36 required for each location at which a marijuana processor intends to  
37 process marijuana.

38 (3) There shall be a marijuana retailer's license to sell  
39 marijuana concentrates, useable marijuana, and marijuana-infused  
40 products at retail in retail outlets, regulated by the state liquor

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

17 **Sec. 2.** RCW 69.50.331 and 2015 2nd sp.s. c 4 s 301 are each  
18 amended to read as follows:

19 (1) For the purpose of considering any application for a license  
20 to produce, process, research, transport, or deliver marijuana,  
21 useable marijuana, marijuana concentrates, or marijuana-infused  
22 products subject to the regulations established under RCW 69.50.385,  
23 or sell marijuana, or for the renewal of a license to produce,  
24 process, research, transport, or deliver marijuana, useable  
25 marijuana, marijuana concentrates, or marijuana-infused products  
26 subject to the regulations established under RCW 69.50.385, or sell  
27 marijuana, the state liquor and cannabis board must conduct a  
28 comprehensive, fair, and impartial evaluation of the applications  
29 timely received.

30 ~~(a) ((The state liquor and cannabis board must develop a~~  
31 ~~competitive, merit-based application process that includes, at a~~  
32 ~~minimum, the opportunity for an applicant to demonstrate experience~~  
33 ~~and qualifications in the marijuana industry. The state liquor and~~  
34 ~~cannabis board must give preference between competing applications in~~  
35 ~~the licensing process to applicants that have the following~~  
36 ~~experience and qualifications, in the following order of priority:~~

37 ~~(i) First priority is given to applicants who:~~

38 ~~(A) Applied to the state liquor and cannabis board for a~~  
39 ~~marijuana retailer license prior to July 1, 2014;~~

1 ~~(B) Operated or were employed by a collective garden before~~  
2 ~~January 1, 2013;~~

3 ~~(C) Have maintained a state business license and a municipal~~  
4 ~~business license, as applicable in the relevant jurisdiction; and~~

5 ~~(D) Have had a history of paying all applicable state taxes and~~  
6 ~~fees;~~

7 ~~(ii) Second priority must be given to applicants who:~~

8 ~~(A) Operated or were employed by a collective garden before~~  
9 ~~January 1, 2013;~~

10 ~~(B) Have maintained a state business license and a municipal~~  
11 ~~business license, as applicable in the relevant jurisdiction; and~~

12 ~~(C) Have had a history of paying all applicable state taxes and~~  
13 ~~fees; and~~

14 ~~(iii) Third priority must be given to all other applicants who do~~  
15 ~~not have the experience and qualifications identified in (a)(i) and~~  
16 ~~(ii) of this subsection.~~

17 (b)) The state liquor and cannabis board may cause an inspection  
18 of the premises to be made, and may inquire into all matters in  
19 connection with the construction and operation of the premises. For  
20 the purpose of reviewing any application for a license and for  
21 considering the denial, suspension, revocation, or renewal or denial  
22 thereof, of any license, the state liquor and cannabis board may  
23 consider any prior criminal conduct of the applicant including an  
24 administrative violation history record with the state liquor and  
25 cannabis board and a criminal history record information check. The  
26 state liquor and cannabis board may submit the criminal history  
27 record information check to the Washington state patrol and to the  
28 identification division of the federal bureau of investigation in  
29 order that these agencies may search their records for prior arrests  
30 and convictions of the individual or individuals who filled out the  
31 forms. The state liquor and cannabis board must require  
32 fingerprinting of any applicant whose criminal history record  
33 information check is submitted to the federal bureau of  
34 investigation. The provisions of RCW 9.95.240 and of chapter 9.96A  
35 RCW do not apply to these cases. Subject to the provisions of this  
36 section, the state liquor and cannabis board may, in its discretion,  
37 grant or deny the renewal or license applied for. Denial may be based  
38 on, without limitation, the existence of chronic illegal activity  
39 documented in objections submitted pursuant to subsections (7)(c) and  
40 (10) of this section. Authority to approve an uncontested or

1 unopposed license may be granted by the state liquor and cannabis  
2 board to any staff member the board designates in writing. Conditions  
3 for granting this authority must be adopted by rule.

4 ~~((e))~~ (b) No license of any kind may be issued to:

5 (i) A person under the age of twenty-one years;

6 (ii) A person doing business as a sole proprietor who has not  
7 lawfully resided in the state for at least six months prior to  
8 applying to receive a license;

9 (iii) A ~~((partnership, employee cooperative, association,~~  
10 ~~nonprofit corporation, or corporation))~~ business entity or nonprofit  
11 entity, unless formed under the laws of this state~~(, and unless all~~  
12 ~~of the members thereof are qualified to obtain a license as provided~~  
13 ~~in this section))~~ or holding a certificate of registration under  
14 chapter 23.95 RCW, and provided that:

15 (A) More than fifty percent of the interest in the entity is held  
16 by one or more interest holders who lawfully reside in the state; and

17 (B) All interest holders who are not state residents are resident  
18 citizens of the United States; or

19 (iv) A person whose place of business is conducted by a manager  
20 or agent, unless the manager or agent possesses the same  
21 qualifications required of the licensee.

22 (c) The state liquor and cannabis board has discretionary  
23 authority to deny a license or license renewal to an entity if the  
24 state liquor and cannabis board is unable to investigate a  
25 nonresident interest holder in the entity in accordance with the  
26 investigatory standards applicable to the investigation of a state  
27 resident.

28 (2)(a) The state liquor and cannabis board may, in its  
29 discretion, subject to the provisions of RCW 69.50.334, suspend or  
30 cancel any license; and all protections of the licensee from criminal  
31 or civil sanctions under state law for producing, processing,  
32 researching, or selling marijuana, marijuana concentrates, useable  
33 marijuana, or marijuana-infused products thereunder must be suspended  
34 or terminated, as the case may be.

35 (b) The state liquor and cannabis board must immediately suspend  
36 the license of a person who has been certified pursuant to RCW  
37 74.20A.320 by the department of social and health services as a  
38 person who is not in compliance with a support order. If the person  
39 has continued to meet all other requirements for reinstatement during  
40 the suspension, reissuance of the license is automatic upon the state

1 liquor and cannabis board's receipt of a release issued by the  
2 department of social and health services stating that the licensee is  
3 in compliance with the order.

4 (c) The state liquor and cannabis board may request the  
5 appointment of administrative law judges under chapter 34.12 RCW who  
6 shall have power to administer oaths, issue subpoenas for the  
7 attendance of witnesses and the production of papers, books,  
8 accounts, documents, and testimony, examine witnesses, and to receive  
9 testimony in any inquiry, investigation, hearing, or proceeding in  
10 any part of the state, under rules and regulations the state liquor  
11 and cannabis board may adopt.

12 (d) Witnesses must be allowed fees and mileage each way to and  
13 from any inquiry, investigation, hearing, or proceeding at the rate  
14 authorized by RCW 34.05.446. Fees need not be paid in advance of  
15 appearance of witnesses to testify or to produce books, records, or  
16 other legal evidence.

17 (e) In case of disobedience of any person to comply with the  
18 order of the state liquor and cannabis board or a subpoena issued by  
19 the state liquor and cannabis board, or any of its members, or  
20 administrative law judges, or on the refusal of a witness to testify  
21 to any matter regarding which he or she may be lawfully interrogated,  
22 the judge of the superior court of the county in which the person  
23 resides, on application of any member of the board or administrative  
24 law judge, compels obedience by contempt proceedings, as in the case  
25 of disobedience of the requirements of a subpoena issued from said  
26 court or a refusal to testify therein.

27 (3) Upon receipt of notice of the suspension or cancellation of a  
28 license, the licensee must forthwith deliver up the license to the  
29 state liquor and cannabis board. Where the license has been suspended  
30 only, the state liquor and cannabis board must return the license to  
31 the licensee at the expiration or termination of the period of  
32 suspension. The state liquor and cannabis board must notify all other  
33 licensees in the county where the subject licensee has its premises  
34 of the suspension or cancellation of the license; and no other  
35 licensee or employee of another licensee may allow or cause any  
36 marijuana, marijuana concentrates, useable marijuana, or marijuana-  
37 infused products to be delivered to or for any person at the premises  
38 of the subject licensee.

39 (4) Every license issued under this chapter is subject to all  
40 conditions and restrictions imposed by this chapter or by rules

1 adopted by the state liquor and cannabis board to implement and  
2 enforce this chapter. All conditions and restrictions imposed by the  
3 state liquor and cannabis board in the issuance of an individual  
4 license must be listed on the face of the individual license along  
5 with the trade name, address, and expiration date.

6 (5) Every licensee must post and keep posted its license, or  
7 licenses, in a conspicuous place on the premises.

8 (6) No licensee may employ any person under the age of twenty-one  
9 years.

10 (7)(a) Before the state liquor and cannabis board issues a new or  
11 renewed license to an applicant it must give notice of the  
12 application to the chief executive officer of the incorporated city  
13 or town, if the application is for a license within an incorporated  
14 city or town, or to the county legislative authority, if the  
15 application is for a license outside the boundaries of incorporated  
16 cities or towns, or to the tribal government if the application is  
17 for a license within Indian country under the jurisdiction of a  
18 federally recognized Indian tribe, or to the port authority if the  
19 application for a license is located on property owned by a port  
20 authority.

21 (b) The incorporated city or town through the official or  
22 employee selected by it, ~~((or))~~ the county legislative authority or  
23 the official or employee selected by it, the tribal government, or  
24 port authority has the right to file with the state liquor and  
25 cannabis board within twenty days after the date of transmittal of  
26 the notice for applications, or at least thirty days prior to the  
27 expiration date for renewals, written objections against the  
28 applicant or against the premises for which the new or renewed  
29 license is asked. The state liquor and cannabis board may extend the  
30 time period for submitting written objections upon request from the  
31 authority notified by the state liquor and cannabis board.

32 (c) The written objections must include a statement of all facts  
33 upon which the objections are based, and in case written objections  
34 are filed, the city or town or county legislative authority may  
35 request, and the state liquor and cannabis board may in its  
36 discretion hold, a hearing subject to the applicable provisions of  
37 Title 34 RCW. If the state liquor and cannabis board makes an initial  
38 decision to deny a license or renewal based on the written objections  
39 of an incorporated city or town or county legislative authority, the  
40 applicant may request a hearing subject to the applicable provisions

1 of Title 34 RCW. If a hearing is held at the request of the  
2 applicant, state liquor and cannabis board representatives must  
3 present and defend the state liquor and cannabis board's initial  
4 decision to deny a license or renewal.

5 (d) Upon the granting of a license under this title the state  
6 liquor and cannabis board must send written notification to the chief  
7 executive officer of the incorporated city or town in which the  
8 license is granted, or to the county legislative authority if the  
9 license is granted outside the boundaries of incorporated cities or  
10 towns.

11 (8)(a) Except as provided in (b) through (d) of this subsection,  
12 the state liquor and cannabis board may not issue a license for any  
13 premises within one thousand feet of the perimeter of the grounds of  
14 any elementary or secondary school, playground, recreation center or  
15 facility, child care center, public park, public transit center, or  
16 library, or any game arcade admission to which is not restricted to  
17 persons aged twenty-one years or older.

18 (b) A city, county, or town may permit the licensing of premises  
19 within one thousand feet but not less than one hundred feet of the  
20 facilities described in (a) of this subsection, except elementary  
21 schools, secondary schools, and playgrounds, by enacting an ordinance  
22 authorizing such distance reduction, provided that such distance  
23 reduction will not negatively impact the jurisdiction's civil  
24 regulatory enforcement, criminal law enforcement interests, public  
25 safety, or public health.

26 (c) A city, county, or town may permit the licensing of research  
27 premises allowed under RCW 69.50.372 within one thousand feet but not  
28 less than one hundred feet of the facilities described in (a) of this  
29 subsection by enacting an ordinance authorizing such distance  
30 reduction, provided that the ordinance will not negatively impact the  
31 jurisdiction's civil regulatory enforcement, criminal law  
32 enforcement, public safety, or public health.

33 (d) The state liquor and cannabis board may license premises  
34 located in compliance with the distance requirements set in an  
35 ordinance adopted under (b) or (c) of this subsection. Before issuing  
36 or renewing a research license for premises within one thousand feet  
37 but not less than one hundred feet of an elementary school, secondary  
38 school, or playground in compliance with an ordinance passed pursuant  
39 to (c) of this subsection, the board must ensure that the facility:

1 (i) Meets a security standard exceeding that which applies to  
2 marijuana producer, processor, or retailer licensees;

3 (ii) Is inaccessible to the public and no part of the operation  
4 of the facility is in view of the general public; and

5 (iii) Bears no advertising or signage indicating that it is a  
6 marijuana research facility.

7 (9) (~~Subject to section 1601 of this act,~~) A city, town, or  
8 county may adopt an ordinance prohibiting a marijuana producer or  
9 marijuana processor from operating or locating a business within  
10 areas zoned primarily for residential use or rural use with a minimum  
11 lot size of five acres or smaller.

12 (10) In determining whether to grant or deny a license or renewal  
13 of any license, the state liquor and cannabis board must give  
14 substantial weight to objections from an incorporated city or town or  
15 county legislative authority based upon chronic illegal activity  
16 associated with the applicant's operations of the premises proposed  
17 to be licensed or the applicant's operation of any other licensed  
18 premises, or the conduct of the applicant's patrons inside or outside  
19 the licensed premises. "Chronic illegal activity" means (a) a  
20 pervasive pattern of activity that threatens the public health,  
21 safety, and welfare of the city, town, or county including, but not  
22 limited to, open container violations, assaults, disturbances,  
23 disorderly conduct, or other criminal law violations, or as  
24 documented in crime statistics, police reports, emergency medical  
25 response data, calls for service, field data, or similar records of a  
26 law enforcement agency for the city, town, county, or any other  
27 municipal corporation or any state agency; or (b) an unreasonably  
28 high number of citations for violations of RCW 46.61.502 associated  
29 with the applicant's or licensee's operation of any licensed premises  
30 as indicated by the reported statements given to law enforcement upon  
31 arrest.

32 (11) For the purposes of this section:

33 (a) "Entity" has the same meaning as in RCW 23.95.105(6);

34 (b) "Interest" has the same meaning as in RCW 23.95.105(13); and

35 (c) "Interest holder" has the same meaning as in RCW  
36 23.95.105(14).

37 **Sec. 3.** RCW 69.50.372 and 2016 sp.s. c 9 s 1 are each amended to  
38 read as follows:

1 (1) A marijuana research license is established that permits a  
2 licensee to produce, process, and possess marijuana for the following  
3 limited research purposes:

4 (a) To test chemical potency and composition levels;

5 (b) To conduct clinical investigations of marijuana-derived drug  
6 products;

7 (c) To conduct research on the efficacy and safety of  
8 administering marijuana as part of medical treatment; and

9 (d) To conduct genomic or agricultural research.

10 (2) As part of the application process for a marijuana research  
11 license, an applicant must submit to the liquor and cannabis board's  
12 designated scientific reviewer a description of the research that is  
13 intended to be conducted. The liquor and cannabis board must select a  
14 scientific reviewer to review an applicant's research project and  
15 determine that it meets the requirements of subsection (1) of this  
16 section, as well as assess the following:

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

18 (b) Whether applicants have the appropriate personnel, expertise,  
19 facilities/infrastructure, funding, and human/animal/other federal  
20 approvals in place to successfully conduct the project; and

21 (c) Whether the amount of marijuana to be grown by the applicant  
22 is consistent with the project's scope and goals.

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

26 (3) A marijuana research licensee may only sell marijuana grown  
27 or within its operation to other marijuana research licensees. The  
28 liquor and cannabis board may revoke a marijuana research license for  
29 violations of this subsection.

30 (4) A marijuana research licensee may contract with the  
31 University of Washington or Washington State University to perform  
32 research in conjunction with the university. All research projects,  
33 not including those projects conducted pursuant to a contract entered  
34 into under RCW 28B.20.502(3), must be approved by the scientific  
35 reviewer and meet the requirements of subsection (1) of this section.

36 (5) In establishing a marijuana research license, the liquor and  
37 cannabis board may adopt rules on the following:

38 (a) Application requirements;

39 (b) Marijuana research license renewal requirements, including  
40 whether additional research projects may be added or considered;

1 (c) Conditions for license revocation;

2 (d) Security measures to ensure marijuana is not diverted to  
3 purposes other than research;

4 (e) Amount of plants, useable marijuana, marijuana concentrates,  
5 or marijuana-infused products a licensee may have on its premises;

6 (f) Licensee reporting requirements;

7 (g) Conditions under which marijuana grown by licensed marijuana  
8 producers and other product types from licensed marijuana processors  
9 may be donated to marijuana research licensees; and

10 (h) Additional requirements deemed necessary by the liquor and  
11 cannabis board.

12 (6) The production, processing, possession, delivery, donation,  
13 and sale of marijuana, including immature plants or clones and seeds,  
14 in accordance with this section, RCW 69.50.366(3), and the rules  
15 adopted to implement and enforce (~~it~~) this section and RCW  
16 69.50.366(3), by a validly licensed marijuana researcher, shall not  
17 be a criminal or civil offense under Washington state law. Every  
18 marijuana research license must be issued in the name of the  
19 applicant, must specify the location at which the marijuana  
20 researcher intends to operate, which must be within the state of  
21 Washington, and the holder thereof may not allow any other person to  
22 use the license.

23 (7) The application fee for a marijuana research license is two  
24 hundred fifty dollars. The annual fee for issuance and renewal of a  
25 marijuana research license is one thousand dollars. The applicant  
26 must pay the cost of the review process directly to the scientific  
27 reviewer as designated by the liquor and cannabis board.

28 (8) The scientific reviewer shall review any reports made by  
29 marijuana research licensees under liquor and cannabis board rule and  
30 provide the liquor and cannabis board with its determination on  
31 whether the research project continues to meet research  
32 qualifications under this section.

33 (9) For the purposes of this section, "scientific reviewer" means  
34 an organization that convenes or contracts with persons who have the  
35 training and experience in research practice and research methodology  
36 to determine whether a project meets the criteria for a marijuana  
37 research license under this section and to review any reports  
38 submitted by marijuana research licensees under liquor and cannabis  
39 board rule. "Scientific reviewers" include, but are not limited to,  
40 educational institutions, research institutions, peer review bodies,

1 or such other organizations that are focused on science or research  
2 in its day-to-day activities.

3 **Sec. 4.** RCW 66.08.100 and 2012 c 117 s 269 are each amended to  
4 read as follows:

5 No court of the state of Washington other than the superior court  
6 of Thurston county shall have jurisdiction over any action or  
7 proceeding against the board or any member thereof for anything done  
8 or omitted to be done in or arising out of the performance of his or  
9 her or their duties under this title. Neither the board nor any  
10 member or members thereof shall be personally liable in any action at  
11 law for damages sustained by any person because of any acts performed  
12 or done or omitted to be done by the board or any employee of the  
13 board in the performance of his or her duties and in the  
14 administration of this title or chapter 69.50 or 69.51A RCW.

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

17 (1) A licensed marijuana business may enter into a licensing  
18 agreement, or consulting contract, with any individual, partnership,  
19 employee cooperative, association, nonprofit corporation, or  
20 corporation, for:

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

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

24 (c) Any trade secret, technology, or proprietary information used  
25 to manufacture a cannabis product or used to provide a service  
26 related to a marijuana business.

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

30 **Sec. 6.** RCW 42.56.270 and 2016 sp.s. c 9 s 3, 2016 sp.s. c 8 s  
31 1, and 2016 c 178 s 1 are each reenacted and amended to read as  
32 follows:

33 The following financial, commercial, and proprietary information  
34 is exempt from disclosure under this chapter:

35 (1) Valuable formulae, designs, drawings, computer source code or  
36 object code, and research data obtained by any agency within five

1 years of the request for disclosure when disclosure would produce  
2 private gain and public loss;

3 (2) Financial information supplied by or on behalf of a person,  
4 firm, or corporation for the purpose of qualifying to submit a bid or  
5 proposal for (a) a ferry system construction or repair contract as  
6 required by RCW 47.60.680 through 47.60.750 or (b) highway  
7 construction or improvement as required by RCW 47.28.070;

8 (3) Financial and commercial information and records supplied by  
9 private persons pertaining to export services provided under chapters  
10 43.163 and 53.31 RCW, and by persons pertaining to export projects  
11 under RCW 43.23.035;

12 (4) Financial and commercial information and records supplied by  
13 businesses or individuals during application for loans or program  
14 services provided by chapters 43.325, 43.163, 43.160, 43.330, and  
15 43.168 RCW, or during application for economic development loans or  
16 program services provided by any local agency;

17 (5) Financial information, business plans, examination reports,  
18 and any information produced or obtained in evaluating or examining a  
19 business and industrial development corporation organized or seeking  
20 certification under chapter 31.24 RCW;

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

26 (7) Financial and valuable trade information under RCW 51.36.120;

27 (8) Financial, commercial, operations, and technical and research  
28 information and data submitted to or obtained by the clean Washington  
29 center in applications for, or delivery of, program services under  
30 chapter 70.95H RCW;

31 (9) Financial and commercial information requested by the public  
32 stadium authority from any person or organization that leases or uses  
33 the stadium and exhibition center as defined in RCW 36.102.010;

34 (10)(a) Financial information, including but not limited to  
35 account numbers and values, and other identification numbers supplied  
36 by or on behalf of a person, firm, corporation, limited liability  
37 company, partnership, or other entity related to an application for a  
38 horse racing license submitted pursuant to RCW 67.16.260(1)(b),  
39 marijuana producer, processor, or retailer license, liquor license,  
40 gambling license, or lottery retail license;

1 (b) Internal control documents, independent auditors' reports and  
2 financial statements, and supporting documents: (i) Of house-banked  
3 social card game licensees required by the gambling commission  
4 pursuant to rules adopted under chapter 9.46 RCW; or (ii) submitted  
5 by tribes with an approved tribal/state compact for class III gaming;

6 (11) Proprietary data, trade secrets, or other information that  
7 relates to: (a) A vendor's unique methods of conducting business; (b)  
8 data unique to the product or services of the vendor; or (c)  
9 determining prices or rates to be charged for services, submitted by  
10 any vendor to the department of social and health services for  
11 purposes of the development, acquisition, or implementation of state  
12 purchased health care as defined in RCW 41.05.011;

13 (12)(a) When supplied to and in the records of the department of  
14 commerce:

15 (i) Financial and proprietary information collected from any  
16 person and provided to the department of commerce pursuant to RCW  
17 43.330.050(8); and

18 (ii) Financial or proprietary information collected from any  
19 person and provided to the department of commerce or the office of  
20 the governor in connection with the siting, recruitment, expansion,  
21 retention, or relocation of that person's business and until a siting  
22 decision is made, identifying information of any person supplying  
23 information under this subsection and the locations being considered  
24 for siting, relocation, or expansion of a business;

25 (b) When developed by the department of commerce based on  
26 information as described in (a)(i) of this subsection, any work  
27 product is not exempt from disclosure;

28 (c) For the purposes of this subsection, "siting decision" means  
29 the decision to acquire or not to acquire a site;

30 (d) If there is no written contact for a period of sixty days to  
31 the department of commerce from a person connected with siting,  
32 recruitment, expansion, retention, or relocation of that person's  
33 business, information described in (a)(ii) of this subsection will be  
34 available to the public under this chapter;

35 (13) Financial and proprietary information submitted to or  
36 obtained by the department of ecology or the authority created under  
37 chapter 70.95N RCW to implement chapter 70.95N RCW;

38 (14) Financial, commercial, operations, and technical and  
39 research information and data submitted to or obtained by the life  
40 sciences discovery fund authority in applications for, or delivery

1 of, grants under chapter 43.350 RCW, to the extent that such  
2 information, if revealed, would reasonably be expected to result in  
3 private loss to the providers of this information;

4 (15) Financial and commercial information provided as evidence to  
5 the department of licensing as required by RCW 19.112.110 or  
6 19.112.120, except information disclosed in aggregate form that does  
7 not permit the identification of information related to individual  
8 fuel licensees;

9 (16) Any production records, mineral assessments, and trade  
10 secrets submitted by a permit holder, mine operator, or landowner to  
11 the department of natural resources under RCW 78.44.085;

12 (17)(a) Farm plans developed by conservation districts, unless  
13 permission to release the farm plan is granted by the landowner or  
14 operator who requested the plan, or the farm plan is used for the  
15 application or issuance of a permit;

16 (b) Farm plans developed under chapter 90.48 RCW and not under  
17 the federal clean water act, 33 U.S.C. Sec. 1251 et seq., are subject  
18 to RCW 42.56.610 and 90.64.190;

19 (18) Financial, commercial, operations, and technical and  
20 research information and data submitted to or obtained by a health  
21 sciences and services authority in applications for, or delivery of,  
22 grants under RCW 35.104.010 through 35.104.060, to the extent that  
23 such information, if revealed, would reasonably be expected to result  
24 in private loss to providers of this information;

25 (19) Information gathered under chapter 19.85 RCW or RCW  
26 34.05.328 that can be identified to a particular business;

27 (20) Financial and commercial information submitted to or  
28 obtained by the University of Washington, other than information the  
29 university is required to disclose under RCW 28B.20.150, when the  
30 information relates to investments in private funds, to the extent  
31 that such information, if revealed, would reasonably be expected to  
32 result in loss to the University of Washington consolidated endowment  
33 fund or to result in private loss to the providers of this  
34 information;

35 (21) Market share data submitted by a manufacturer under RCW  
36 70.95N.190(4);

37 (22) Financial information supplied to the department of  
38 financial institutions or to a portal under RCW 21.20.883, when filed  
39 by or on behalf of an issuer of securities for the purpose of  
40 obtaining the exemption from state securities registration for small

1 securities offerings provided under RCW 21.20.880 or when filed by or  
2 on behalf of an investor for the purpose of purchasing such  
3 securities;

4 (23) Unaggregated or individual notices of a transfer of crude  
5 oil that is financial, proprietary, or commercial information,  
6 submitted to the department of ecology pursuant to RCW  
7 90.56.565(1)(a), and that is in the possession of the department of  
8 ecology or any entity with which the department of ecology has shared  
9 the notice pursuant to RCW 90.56.565;

10 (24) Financial institution and retirement account information,  
11 and building security plan information, supplied to the liquor and  
12 cannabis board pursuant to RCW 69.50.325, 69.50.331, 69.50.342, and  
13 69.50.345, when filed by or on behalf of a licensee or prospective  
14 licensee for the purpose of obtaining, maintaining, or renewing a  
15 license to produce, process, transport, or sell marijuana as allowed  
16 under chapter 69.50 RCW; ((and))

17 (25) Marijuana transport information, vehicle and driver  
18 identification data, and account numbers or unique access identifiers  
19 issued to private entities for traceability system access, submitted  
20 by an individual or business to the liquor and cannabis board under  
21 the requirements of RCW 69.50.325, 69.50.331, 69.50.342, and  
22 69.50.345 for the purpose of marijuana product traceability.  
23 Disclosure to local, state, and federal officials is not considered  
24 public disclosure for purposes of this section; ((and))

25 (26) Financial and commercial information submitted to or  
26 obtained by the retirement board of any city that is responsible for  
27 the management of an employees' retirement system pursuant to the  
28 authority of chapter 35.39 RCW, when the information relates to  
29 investments in private funds, to the extent that such information, if  
30 revealed, would reasonably be expected to result in loss to the  
31 retirement fund or to result in private loss to the providers of this  
32 information except that (a) the names and commitment amounts of the  
33 private funds in which retirement funds are invested and (b) the  
34 aggregate quarterly performance results for a retirement fund's  
35 portfolio of investments in such funds are subject to disclosure;  
36 ((and))

37 (27) Proprietary financial, commercial, operations, and technical  
38 and research information and data submitted to or obtained by the  
39 liquor and cannabis board in applications for marijuana research  
40 licenses under RCW 69.50.372, or in reports submitted by marijuana

1 research licensees in accordance with rules adopted by the liquor and  
2 cannabis board under RCW 69.50.372; and

3 (28) Trade secrets, technology, proprietary information, and  
4 financial considerations contained in any agreements or contracts,  
5 entered into by a licensed marijuana business under section 5 of this  
6 act, which may be submitted to or obtained by the state liquor and  
7 cannabis board.

8 **Sec. 7.** RCW 69.50.101 and 2015 2nd sp.s. c 4 s 901 are each  
9 reenacted and amended to read as follows:

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

12 (a) "Administer" means to apply a controlled substance, whether  
13 by injection, inhalation, ingestion, or any other means, directly to  
14 the body of a patient or research subject by:

15 (1) a practitioner authorized to prescribe (or, by the  
16 practitioner's authorized agent); or

17 (2) the patient or research subject at the direction and in the  
18 presence of the practitioner.

19 (b) "Agent" means an authorized person who acts on behalf of or  
20 at the direction of a manufacturer, distributor, or dispenser. It  
21 does not include a common or contract carrier, public  
22 warehouseperson, or employee of the carrier or warehouseperson.

23 (c) "CBD concentration" has the meaning provided in RCW  
24 69.51A.010.

25 (d) "Commission" means the pharmacy quality assurance commission.

26 (e) "Controlled substance" means a drug, substance, or immediate  
27 precursor included in Schedules I through V as set forth in federal  
28 or state laws, or federal or commission rules.

29 (f)(1) "Controlled substance analog" means a substance the  
30 chemical structure of which is substantially similar to the chemical  
31 structure of a controlled substance in Schedule I or II and:

32 (i) that has a stimulant, depressant, or hallucinogenic effect on  
33 the central nervous system substantially similar to the stimulant,  
34 depressant, or hallucinogenic effect on the central nervous system of  
35 a controlled substance included in Schedule I or II; or

36 (ii) with respect to a particular individual, that the individual  
37 represents or intends to have a stimulant, depressant, or  
38 hallucinogenic effect on the central nervous system substantially  
39 similar to the stimulant, depressant, or hallucinogenic effect on the

1 central nervous system of a controlled substance included in Schedule  
2 I or II.

3 (2) The term does not include:

4 (i) a controlled substance;

5 (ii) a substance for which there is an approved new drug  
6 application;

7 (iii) a substance with respect to which an exemption is in effect  
8 for investigational use by a particular person under Section 505 of  
9 the federal Food, Drug and Cosmetic Act, 21 U.S.C. Sec. 355, to the  
10 extent conduct with respect to the substance is pursuant to the  
11 exemption; or

12 (iv) any substance to the extent not intended for human  
13 consumption before an exemption takes effect with respect to the  
14 substance.

15 (g) "Deliver" or "delivery(( $\tau$ ))" means the actual or constructive  
16 transfer from one person to another of a substance, whether or not  
17 there is an agency relationship.

18 (h) "Department" means the department of health.

19 (i) "Designated provider" has the meaning provided in RCW  
20 69.51A.010.

21 (j) "Dispense" means the interpretation of a prescription or  
22 order for a controlled substance and, pursuant to that prescription  
23 or order, the proper selection, measuring, compounding, labeling, or  
24 packaging necessary to prepare that prescription or order for  
25 delivery.

26 (k) "Dispenser" means a practitioner who dispenses.

27 (l) "Distribute" means to deliver other than by administering or  
28 dispensing a controlled substance.

29 (m) "Distributor" means a person who distributes.

30 (n) "Drug" means (1) a controlled substance recognized as a drug  
31 in the official United States pharmacopoeia/national formulary or the  
32 official homeopathic pharmacopoeia of the United States, or any  
33 supplement to them; (2) controlled substances intended for use in the  
34 diagnosis, cure, mitigation, treatment, or prevention of disease in  
35 individuals or animals; (3) controlled substances (other than food)  
36 intended to affect the structure or any function of the body of  
37 individuals or animals; and (4) controlled substances intended for  
38 use as a component of any article specified in (1), (2), or (3) of  
39 this subsection. The term does not include devices or their  
40 components, parts, or accessories.

1 (o) "Drug enforcement administration" means the drug enforcement  
2 administration in the United States Department of Justice, or its  
3 successor agency.

4 (p) "Electronic communication of prescription information" means  
5 the transmission of a prescription or refill authorization for a drug  
6 of a practitioner using computer systems. The term does not include a  
7 prescription or refill authorization verbally transmitted by  
8 telephone nor a facsimile manually signed by the practitioner.

9 (q) "Immature plant or clone" means a plant or clone that has no  
10 flowers, is less than twelve inches in height, and is less than  
11 twelve inches in diameter.

12 (r) "Immediate precursor" means a substance:

13 (1) that the commission has found to be and by rule designates as  
14 being the principal compound commonly used, or produced primarily for  
15 use, in the manufacture of a controlled substance;

16 (2) that is an immediate chemical intermediary used or likely to  
17 be used in the manufacture of a controlled substance; and

18 (3) the control of which is necessary to prevent, curtail, or  
19 limit the manufacture of the controlled substance.

20 ((+r)) (s) "Isomer" means an optical isomer, but in subsection  
21 ((+d)) (ee)(5) of this section, RCW 69.50.204(a) (12) and (34), and  
22 69.50.206(b)(4), the term includes any geometrical isomer; in RCW  
23 69.50.204(a) (8) and (42), and 69.50.210(c) the term includes any  
24 positional isomer; and in RCW 69.50.204(a)(35), 69.50.204(c), and  
25 69.50.208(a) the term includes any positional or geometric isomer.

26 ((+s)) (t) "Lot" means a definite quantity of marijuana,  
27 marijuana concentrates, useable marijuana, or marijuana-infused  
28 product identified by a lot number, every portion or package of which  
29 is uniform within recognized tolerances for the factors that appear  
30 in the labeling.

31 ((+t)) (u) "Lot number" must identify the licensee by business  
32 or trade name and Washington state unified business identifier  
33 number, and the date of harvest or processing for each lot of  
34 marijuana, marijuana concentrates, useable marijuana, or marijuana-  
35 infused product.

36 ((+u)) (v) "Manufacture" means the production, preparation,  
37 propagation, compounding, conversion, or processing of a controlled  
38 substance, either directly or indirectly or by extraction from  
39 substances of natural origin, or independently by means of chemical  
40 synthesis, or by a combination of extraction and chemical synthesis,

1 and includes any packaging or repackaging of the substance or  
2 labeling or relabeling of its container. The term does not include  
3 the preparation, compounding, packaging, repackaging, labeling, or  
4 relabeling of a controlled substance:

5 (1) by a practitioner as an incident to the practitioner's  
6 administering or dispensing of a controlled substance in the course  
7 of the practitioner's professional practice; or

8 (2) by a practitioner, or by the practitioner's authorized agent  
9 under the practitioner's supervision, for the purpose of, or as an  
10 incident to, research, teaching, or chemical analysis and not for  
11 sale.

12 (~~(v)~~) (w) "Marijuana" or "marihuana" means all parts of the  
13 plant *Cannabis*, whether growing or not, with a THC concentration  
14 greater than 0.3 percent on a dry weight basis; the seeds thereof;  
15 the resin extracted from any part of the plant; and every compound,  
16 manufacture, salt, derivative, mixture, or preparation of the plant,  
17 its seeds or resin. The term does not include the mature stalks of  
18 the plant, fiber produced from the stalks, oil or cake made from the  
19 seeds of the plant, any other compound, manufacture, salt,  
20 derivative, mixture, or preparation of the mature stalks (except the  
21 resin extracted therefrom), fiber, oil, or cake, or the sterilized  
22 seed of the plant which is incapable of germination.

23 (~~(w)~~) (x) "Marijuana concentrates" means products consisting  
24 wholly or in part of the resin extracted from any part of the plant  
25 *Cannabis* and having a THC concentration greater than ten percent.

26 (~~(x)~~) (y) "Marijuana processor" means a person licensed by the  
27 state liquor and cannabis board to process marijuana into marijuana  
28 concentrates, useable marijuana, and marijuana-infused products,  
29 package and label marijuana concentrates, useable marijuana, and  
30 marijuana-infused products for sale in retail outlets, and sell  
31 marijuana concentrates, useable marijuana, and marijuana-infused  
32 products at wholesale to marijuana retailers.

33 (~~(y)~~) (z) "Marijuana producer" means a person licensed by the  
34 state liquor and cannabis board to produce and sell marijuana at  
35 wholesale to marijuana processors and other marijuana producers.

36 (~~(z)~~) (aa) "Marijuana products" means useable marijuana,  
37 marijuana concentrates, and marijuana-infused products as defined in  
38 this section.

39 (~~(aa)~~) (bb) "Marijuana researcher" means a person licensed by  
40 the state liquor and cannabis board to produce, process, and possess

1 marijuana for the purposes of conducting research on marijuana and  
2 marijuana-derived drug products.

3 ~~((bb))~~ (cc) "Marijuana retailer" means a person licensed by the  
4 state liquor and cannabis board to sell marijuana concentrates,  
5 useable marijuana, and marijuana-infused products in a retail outlet.

6 ~~((ee))~~ (dd) "Marijuana-infused products" means products that  
7 contain marijuana or marijuana extracts, are intended for human use,  
8 are derived from marijuana as defined in subsection ~~((v))~~ (w) of  
9 this section, and have a THC concentration no greater than ten  
10 percent. The term "marijuana-infused products" does not include  
11 either useable marijuana or marijuana concentrates.

12 ~~((dd))~~ (ee) "Narcotic drug" means any of the following, whether  
13 produced directly or indirectly by extraction from substances of  
14 vegetable origin, or independently by means of chemical synthesis, or  
15 by a combination of extraction and chemical synthesis:

16 (1) Opium, opium derivative, and any derivative of opium or opium  
17 derivative, including their salts, isomers, and salts of isomers,  
18 whenever the existence of the salts, isomers, and salts of isomers is  
19 possible within the specific chemical designation. The term does not  
20 include the isoquinoline alkaloids of opium.

21 (2) Synthetic opiate and any derivative of synthetic opiate,  
22 including their isomers, esters, ethers, salts, and salts of isomers,  
23 esters, and ethers, whenever the existence of the isomers, esters,  
24 ethers, and salts is possible within the specific chemical  
25 designation.

26 (3) Poppy straw and concentrate of poppy straw.

27 (4) Coca leaves, except coca leaves and extracts of coca leaves  
28 from which cocaine, ecgonine, and derivatives or ecgonine or their  
29 salts have been removed.

30 (5) Cocaine, or any salt, isomer, or salt of isomer thereof.

31 (6) Cocaine base.

32 (7) Ecgonine, or any derivative, salt, isomer, or salt of isomer  
33 thereof.

34 (8) Any compound, mixture, or preparation containing any quantity  
35 of any substance referred to in subparagraphs (1) through (7).

36 ~~((ee))~~ (ff) "Opiate" means any substance having an addiction-  
37 forming or addiction-sustaining liability similar to morphine or  
38 being capable of conversion into a drug having addiction-forming or  
39 addiction-sustaining liability. The term includes opium, substances  
40 derived from opium (opium derivatives), and synthetic opiates. The

1 term does not include, unless specifically designated as controlled  
2 under RCW 69.50.201, the dextrorotatory isomer of 3-methoxy-n-  
3 methylmorphinan and its salts (dextromethorphan). The term includes  
4 the racemic and levorotatory forms of dextromethorphan.

5 ~~((ff))~~ (gg) "Opium poppy" means the plant of the species  
6 *Papaver somniferum* L., except its seeds.

7 ~~((gg))~~ (hh) "Person" means individual, corporation, business  
8 trust, estate, trust, partnership, association, joint venture,  
9 government, governmental subdivision or agency, or any other legal or  
10 commercial entity.

11 ~~((hh))~~ (ii) "Plant" has the meaning provided in RCW 69.51A.010.

12 ~~((ii))~~ (jj) "Poppy straw" means all parts, except the seeds, of  
13 the opium poppy, after mowing.

14 ~~((jj))~~ (kk) "Practitioner" means:

15 (1) A physician under chapter 18.71 RCW; a physician assistant  
16 under chapter 18.71A RCW; an osteopathic physician and surgeon under  
17 chapter 18.57 RCW; an osteopathic physician assistant under chapter  
18 18.57A RCW who is licensed under RCW 18.57A.020 subject to any  
19 limitations in RCW 18.57A.040; an optometrist licensed under chapter  
20 18.53 RCW who is certified by the optometry board under RCW 18.53.010  
21 subject to any limitations in RCW 18.53.010; a dentist under chapter  
22 18.32 RCW; a podiatric physician and surgeon under chapter 18.22 RCW;  
23 a veterinarian under chapter 18.92 RCW; a registered nurse, advanced  
24 registered nurse practitioner, or licensed practical nurse under  
25 chapter 18.79 RCW; a naturopathic physician under chapter 18.36A RCW  
26 who is licensed under RCW 18.36A.030 subject to any limitations in  
27 RCW 18.36A.040; a pharmacist under chapter 18.64 RCW or a scientific  
28 investigator under this chapter, licensed, registered or otherwise  
29 permitted insofar as is consistent with those licensing laws to  
30 distribute, dispense, conduct research with respect to or administer  
31 a controlled substance in the course of their professional practice  
32 or research in this state.

33 (2) A pharmacy, hospital or other institution licensed,  
34 registered, or otherwise permitted to distribute, dispense, conduct  
35 research with respect to or to administer a controlled substance in  
36 the course of professional practice or research in this state.

37 (3) A physician licensed to practice medicine and surgery, a  
38 physician licensed to practice osteopathic medicine and surgery, a  
39 dentist licensed to practice dentistry, a podiatric physician and  
40 surgeon licensed to practice podiatric medicine and surgery, a

1 licensed physician assistant or a licensed osteopathic physician  
2 assistant specifically approved to prescribe controlled substances by  
3 his or her state's medical quality assurance commission or equivalent  
4 and his or her supervising physician, an advanced registered nurse  
5 practitioner licensed to prescribe controlled substances, or a  
6 veterinarian licensed to practice veterinary medicine in any state of  
7 the United States.

8 ~~((kk))~~ (ll) "Prescription" means an order for controlled  
9 substances issued by a practitioner duly authorized by law or rule in  
10 the state of Washington to prescribe controlled substances within the  
11 scope of his or her professional practice for a legitimate medical  
12 purpose.

13 ~~((ll))~~ (mm) "Production" includes the manufacturing, planting,  
14 cultivating, growing, or harvesting of a controlled substance.

15 ~~((mm))~~ (nn) "Qualifying patient" has the meaning provided in  
16 RCW 69.51A.010.

17 ~~((nn))~~ (oo) "Recognition card" has the meaning provided in RCW  
18 69.51A.010.

19 ~~((oo))~~ (pp) "Retail outlet" means a location licensed by the  
20 state liquor and cannabis board for the retail sale of marijuana  
21 concentrates, useable marijuana, and marijuana-infused products.

22 ~~((pp))~~ (qq) "Secretary" means the secretary of health or the  
23 secretary's designee.

24 ~~((qq))~~ (rr) "State," unless the context otherwise requires,  
25 means a state of the United States, the District of Columbia, the  
26 Commonwealth of Puerto Rico, or a territory or insular possession  
27 subject to the jurisdiction of the United States.

28 ~~((rr))~~ (ss) "THC concentration" means percent of delta-9  
29 tetrahydrocannabinol content per dry weight of any part of the plant  
30 *Cannabis*, or per volume or weight of marijuana product, or the  
31 combined percent of delta-9 tetrahydrocannabinol and  
32 tetrahydrocannabinolic acid in any part of the plant *Cannabis*  
33 regardless of moisture content.

34 ~~((ss))~~ (tt) "Ultimate user" means an individual who lawfully  
35 possesses a controlled substance for the individual's own use or for  
36 the use of a member of the individual's household or for  
37 administering to an animal owned by the individual or by a member of  
38 the individual's household.



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

5 (a) Pursuant to RCW 69.50.385, the state liquor and cannabis  
6 board explicitly authorizes the carrying or use of firearms by such  
7 employee while engaged in the transportation or delivery services;

8 (b) The employee has an armed private security guard license  
9 issued pursuant to RCW 18.170.040; and

10 (c) The employee is in full compliance with the regulations  
11 established by the state liquor and cannabis board under RCW  
12 69.50.385.

13 (3) A common carrier licensed under RCW 69.50.385 may, for the  
14 purpose of transporting and delivering marijuana, useable marijuana,  
15 marijuana concentrates, and marijuana-infused products, utilize  
16 Washington state ferry routes for such transportation and delivery.

17 (4) The possession of marijuana, useable marijuana, marijuana  
18 concentrates, and marijuana-infused products being physically  
19 transported or delivered within the state, in amounts not exceeding  
20 those that may be established under RCW 69.50.385(3), by a licensed  
21 employee of a common carrier when performing the duties authorized  
22 under, and in accordance with, this section and RCW 69.50.385, is not  
23 a violation of this section, this chapter, or any other provision of  
24 Washington state law.

25 **Sec. 10.** RCW 69.51A.250 and 2016 c 170 s 2 are each amended to  
26 read as follows:

27 (1) Qualifying patients or designated providers may form a  
28 cooperative and share responsibility for acquiring and supplying the  
29 resources needed to produce and process marijuana only for the  
30 medical use of members of the cooperative. No more than four  
31 qualifying patients or designated providers may become members of a  
32 cooperative under this section and all members must hold valid  
33 recognition cards. All members of the cooperative must be at least  
34 twenty-one years old. The designated provider of a qualifying patient  
35 who is under twenty-one years old may be a member of a cooperative on  
36 the qualifying patient's behalf. All plants grown in the cooperative  
37 must be (~~(purchased or cloned)~~) from an immature plant or clone  
38 purchased from a licensed marijuana producer as defined in RCW

1 69.50.101. Cooperatives may also purchase marijuana seeds from a  
2 licensed marijuana producer.

3 (2) Qualifying patients and designated providers who wish to form  
4 a cooperative must register the location with the state liquor and  
5 cannabis board and this is the only location where cooperative  
6 members may grow or process marijuana. This registration must include  
7 the names of all participating members and copies of each  
8 participant's recognition card. Only qualifying patients or  
9 designated providers registered with the state liquor and cannabis  
10 board in association with the location may participate in growing or  
11 receive useable marijuana or marijuana-infused products grown at that  
12 location.

13 (3) No cooperative may be located in any of the following areas:

14 (a) Within one mile of a marijuana retailer;

15 (b) Within the smaller of either:

16 (i) One thousand feet of the perimeter of the grounds of any  
17 elementary or secondary school, playground, recreation center or  
18 facility, child care center, public park, public transit center,  
19 library, or any game arcade that admission to which is not restricted  
20 to persons aged twenty-one years or older; or

21 (ii) The area restricted by ordinance, if the cooperative is  
22 located in a city, county, or town that has passed an ordinance  
23 pursuant to RCW 69.50.331(8); or

24 (c) Where prohibited by a city, town, or county zoning provision.

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

28 (5) If a qualifying patient or designated provider no longer  
29 participates in growing at the location, he or she must notify the  
30 state liquor and cannabis board within fifteen days of the date the  
31 qualifying patient or designated provider ceases participation. The  
32 state liquor and cannabis board must remove his or her name from  
33 connection to the cooperative. Additional qualifying patients or  
34 designated providers may not join the cooperative until sixty days  
35 have passed since the date on which the last qualifying patient or  
36 designated provider notifies the state liquor and cannabis board that  
37 he or she no longer participates in that cooperative.

38 (6) Qualifying patients or designated providers who participate  
39 in a cooperative under this section:

1 (a) May grow up to the total amount of plants for which each  
2 participating member is authorized on their recognition cards, up to  
3 a maximum of sixty plants. At the location, the qualifying patients  
4 or designated providers may possess the amount of useable marijuana  
5 that can be produced with the number of plants permitted under this  
6 subsection, but no more than seventy-two ounces;

7 (b) May only participate in one cooperative;

8 (c) May only grow plants in the cooperative and if he or she  
9 grows plants in the cooperative may not grow plants elsewhere;

10 (d) Must provide assistance in growing plants. A monetary  
11 contribution or donation is not to be considered assistance under  
12 this section. Participants must provide nonmonetary resources and  
13 labor in order to participate; and

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

17 (7) The location of the cooperative must be the domicile of one  
18 of the participants. Only one cooperative may be located per property  
19 tax parcel. A copy of each participant's recognition card must be  
20 kept at the location at all times.

21 (8) The state liquor and cannabis board may adopt rules to  
22 implement this section including:

23 (a) Any security requirements necessary to ensure the safety of  
24 the cooperative and to reduce the risk of diversion from the  
25 cooperative;

26 (b) A seed to sale traceability model that is similar to the seed  
27 to sale traceability model used by licensees that will allow the  
28 state liquor and cannabis board to track all marijuana grown in a  
29 cooperative.

30 (9) The state liquor and cannabis board or law enforcement may  
31 inspect a cooperative registered under this section to ensure members  
32 are in compliance with this section. The state liquor and cannabis  
33 board must adopt rules on reasonable inspection hours and reasons for  
34 inspections.

35 NEW SECTION. **Sec. 11.** A new section is added to chapter 69.51A  
36 RCW to read as follows:

37 Qualifying patients and designated providers, who hold a  
38 recognition card and have been entered into the medical marijuana  
39 authorization database, may purchase immature plants or clones from a

1 licensed marijuana producer as defined in RCW 69.50.101. Qualifying  
2 patients and designated providers may also purchase marijuana seeds  
3 from a licensed marijuana producer.

4 NEW SECTION. **Sec. 12.** This act applies prospectively only and  
5 not retroactively. It applies only to causes of action that arise (if  
6 change is substantive) or that are commenced (if change is  
7 procedural) on or after the effective date of this section.

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