

**ESSB 5546** - H COMM AMD

By Committee on Regulated Substances & Gaming

1 Strike everything after the enacting clause and insert the  
2 following:

3 "NEW SECTION. **Sec. 1.** (1) The legislature finds that the  
4 Washington state liquor and cannabis board exists to promote safe  
5 communities and public safety, and that there is no state entity to  
6 oversee research and education of the state's cannabis industry.

7 (2) The legislature therefore declares:

8 (a) The Washington state cannabis commission may be established  
9 to benefit the people of the state of Washington and its economy;

10 (b) The general welfare of the people of the state will be served  
11 by the research and development of best practices surrounding safe  
12 cultivation and processing activities of cannabis so the industry is  
13 therefore affected with the public interest;

14 (c) The Washington state cannabis commission is intended to  
15 support social equity efforts in the cannabis industry, including  
16 increasing participation in licensed cannabis production and licensed  
17 cannabis production and processing under RCW 69.50.325 by persons who  
18 reside in, or have resided in, a disproportionately impacted area, as  
19 defined in RCW 69.50.335, or who are both a socially and economically  
20 disadvantaged individual as defined by the office of minority and  
21 women's business enterprises under chapter 39.19 RCW, with a goal of  
22 reducing accumulated harm suffered by individuals, families, and  
23 local areas subject to severe impacts from the historical application  
24 and enforcement of cannabis prohibition laws; and

25 (d) Creating a Washington state cannabis commission for the  
26 public purpose of administering the revenue of the commission serves  
27 the public interest by materially advancing the producing and  
28 processing of cannabis and improving sustainability in the cannabis  
29 producing and processing sectors.

30 (3) To complement the development of a comprehensive regulatory  
31 scheme for the production and processing of cannabis and cannabis  
32 products, the legislature further declares that:

1 (a) It is in the overriding public interest that the state  
2 support responsible agricultural production of cannabis in order to:

3 (i) Protect the public by providing research and education in  
4 reference to the quality, care, and methods used in the production of  
5 cannabis and cannabis products; and

6 (ii) Support and engage in programs or activities that benefit  
7 the safe production, handling, processing, and uses of cannabis and  
8 cannabis products; and

9 (b) Cannabis production and processing is a highly regulated  
10 industry and that this chapter and the rules adopted under it are  
11 only one aspect of the regulated industry. Other applicable laws  
12 include:

13 (i) Chapter 15.130 RCW, the food safety and security act;

14 (ii) Chapter 15.125 RCW, cannabis and cannabis products;

15 (iii) Title 69 RCW, food, drugs, cosmetics, and poisons; and

16 (iv) Chapter 82.08 RCW, retail sales tax.

17 (4) This chapter and any rules adopted under this chapter are for  
18 the purpose of fostering responsible and orderly agricultural  
19 production of cannabis. Nothing in this chapter should be interpreted  
20 to conflict with or supersede the overriding regulatory authority the  
21 legislature has already granted to other state agencies.

22 NEW SECTION. **Sec. 2.** The definitions in this section apply  
23 throughout this chapter unless the context clearly requires  
24 otherwise.

25 (1) "Active cannabis producer" means a cannabis producer who  
26 reported gross income that is subject to tax under chapter 82.04 RCW  
27 in the calendar year before the date of a referendum under section 3  
28 of this act.

29 (2) "Active cannabis producer/processor" means a cannabis  
30 producer/processor who reported gross income that is subject to tax  
31 under chapter 82.04 RCW in the calendar year before the date of a  
32 referendum under section 3 of this act.

33 (3) "Board" means the Washington state liquor and cannabis board.

34 (4) "Cannabis" has the meaning provided in RCW 69.50.101.

35 (5) "Cannabis producer" has the meaning provided in RCW  
36 69.50.101.

37 (6) "Cannabis products" has the meaning provided in RCW  
38 69.50.101.

1 (7) "Cannabis processor" has the meaning provided in RCW  
2 69.50.101.

3 (8) "Cannabis producer/processor" means any person or legal  
4 entity holding both a cannabis producer license and a cannabis  
5 processor license as defined in RCW 69.50.101.

6 (9) "Cannabis researcher" has the same meaning provided in RCW  
7 69.50.101.

8 (10) "Cannabis retailer" has the same meaning provided in RCW  
9 69.50.101.

10 (11) "Commission" means the Washington state cannabis commission  
11 established in this chapter.

12 (12) "Cooperative" means a cannabis cooperative formed by  
13 qualifying patients, designated providers, or both, which meets the  
14 requirements of RCW 69.51A.250 and rules adopted under that section.

15 (13) "District" means each of the geographical areas of the state  
16 of Washington defined in subsections (14) through (17) of this  
17 section.

18 (14) "District 1" means the geographical area including the  
19 counties of Clallum, Island, Jefferson, King, San Juan, Skagit,  
20 Snohomish, and Whatcom.

21 (15) "District 2" means the geographical area including the  
22 counties of Chelan, Douglas, Ferry, Grant, Kittitas, Okanogan, Pend  
23 Oreille, and Stevens.

24 (16) "District 3" means the geographical area including the  
25 counties of Adams, Asotin, Benton, Columbia, Franklin, Garfield,  
26 Lincoln, Spokane, Walla Walla, Whitman, and Yakima.

27 (17) "District 4" means the geographical area including the  
28 counties of Clark, Cowlitz, Grays Harbor, Kitsap, Klickitat, Lewis,  
29 Mason, Pacific, Pierce, Skamania, Thurston, and Wahkiakum.

30 (18) "Fiscal year" means the 12-month period beginning July 1st  
31 of any year and ending June 30th.

32 (19) "Interested parties" means governmental departments,  
33 agencies, and bodies at the federal, state, or local levels.  
34 "Interested parties" includes tribal governments, universities,  
35 national and international associations, and other public or private  
36 sector organizations with an interest in cannabis-related matters.

37 (20) "Tier" means any of the production licensing categories  
38 established by rule of the board.

1        NEW SECTION.    **Sec. 3.**    (1) Subject to subsection (7) of this  
2 section, upon receipt of a petition containing the signatures of five  
3 active cannabis producers or active cannabis producer/processors, to  
4 implement this chapter and to determine participation in the  
5 commission and assessment under this chapter, the director must  
6 conduct a referendum of active cannabis producers and active cannabis  
7 producer/processors.

8        (a) The referendum must be conducted within 60 days of receipt of  
9 the petition.

10        (b) The department must establish a list of active cannabis  
11 producers and active cannabis producer/processors eligible to vote in  
12 the referendum in collaboration with the board and the department of  
13 revenue. Inadvertent failure to notify an active cannabis producer or  
14 active cannabis producer/processor does not invalidate a proceeding  
15 conducted under this chapter.

16        (2) The requirements of assent or approval of a referendum under  
17 subsection (1) of this section are met if:

18        (a) At least 51 percent by numbers of the participants in the  
19 referendum vote affirmatively; and

20        (b) At least 40 percent of the active cannabis producers and 40  
21 percent of the active cannabis producer/processors have been  
22 represented in the referendum to determine assent or approval of  
23 participation and assessment.

24        (3) If the director determines that the requisite assent has not  
25 been given in the referendum conducted under subsection (1) of this  
26 section, the director must take no further action to implement or  
27 enforce this chapter.

28        (4) Upon completion of the referendum conducted under subsection  
29 (1) of this section, the department must tally the results of the  
30 vote and provide the results to participants. The department must  
31 create rules for an active cannabis producer or an active cannabis  
32 producer/processor to dispute the results of a vote within 60 days  
33 from the announced results.

34        (5) The director is not required to hold a referendum under  
35 subsection (1) of this section more than once in any 12-month period.

36        (6) The director may conduct voting on a referendum under this  
37 chapter by electronic means, paper ballots, or both.

38        (7) No referendum may be conducted under this section until July  
39 1, 2025, unless the director receives written notice from the liquor  
40 and cannabis board that, pursuant to separate legislation enacted

1 after January 1, 2023, the liquor and cannabis board has issued or  
2 reissued the maximum number of cannabis producer and processor  
3 licenses made available for issuance or reissuance to applicants  
4 meeting social equity criteria under the terms of the separately  
5 enacted legislation.

6 NEW SECTION. **Sec. 4.** Within 60 days of the director determining  
7 that requisite assent has been given in a referendum conducted under  
8 section 3 of this act, the director must establish the Washington  
9 state cannabis commission to:

- 10 (1) Plan and conduct programs for cannabis-related matters;
- 11 (2) Provide funding for conducting research in accordance with  
12 commission rules;
- 13 (3) Coordinate with and advise interested parties regarding  
14 cannabis-related matters within the scope of the powers and purposes  
15 of the commission in accordance with commission rules;
- 16 (4) Coordinate with interested parties to standardize methods by  
17 which to identify and determine the genetics, strains, cultivars,  
18 phenotypes, standards, and grades of cannabis, and advise on cannabis  
19 packaging and labeling requirements;
- 20 (5) Conduct reviews, surveys, and inquiries regarding market  
21 metrics and analytics, including trends, revenues, profitability,  
22 projections, production, business practices, and other economic  
23 drivers of the cannabis industry;
- 24 (6) Inform and advise cannabis producers and cannabis producer/  
25 processors on cannabis-related matters, including, without  
26 limitation, educational information on cannabis cultivation, usage,  
27 risks, and related technical and scientific developments;
- 28 (7) Provide cannabis-related education and training to cannabis  
29 producers, cannabis producer/processors, cannabis researchers, and  
30 their employees, which may include education and training on cannabis  
31 health and safety information;
- 32 (8) Provide information and services for meeting resource  
33 conservation objectives of cannabis producers and cannabis producer/  
34 processors;
- 35 (9) Assist and cooperate with federal, state, and local  
36 government agencies in the investigation and control of pests,  
37 diseases, and other factors that could adversely affect the  
38 cultivation, quality, and safety of cannabis produced in this state;

1 (10) Advance the knowledge and practices of cannabis production  
2 in this state through research and testing methods to improve pest  
3 management, worker protection, safety training, energy efficiency,  
4 and environmental protection;

5 (11) Support Washington state's policies and work to improve  
6 social equity in the cannabis industry by: (a) Increasing  
7 participation in licensed cannabis production and licensed cannabis  
8 production and processing by persons who reside in, or have resided  
9 in, a disproportionately impacted area, as defined in RCW 69.50.335,  
10 or who are both a socially and economically disadvantaged individual  
11 as defined by the office of minority and women's business enterprises  
12 under chapter 39.19 RCW; and (b) raising awareness about and working  
13 to eliminate unconscious bias;

14 (12) Limit youth access and youth exposure to cannabis;

15 (13) Enable cannabis producers and cannabis producer/processors,  
16 in cooperation with the commission, to:

17 (a) Develop and engage in research, including, without  
18 limitation, discovering better and more efficient production,  
19 irrigation, odor mitigation, processing, transportation, handling,  
20 packaging, and use of cannabis and cannabis products; and

21 (b) Discover and develop new and improved cultivars;

22 (14) Establish uniform grading and proper preparation of cannabis  
23 products for market;

24 (15) Protect the interest of consumers and the state by advising  
25 on the overall production of cannabis; and

26 (16) Advance the knowledge and practices of processing cannabis  
27 in this state.

28 NEW SECTION. **Sec. 5.** (1) The commission must:

29 (a) Elect a chair and other officers by a majority vote of the  
30 commission or in accordance with bylaws adopted by the commission;

31 (b) Adopt, rescind, and amend bylaws and other internal rules  
32 necessary for the administration and operation of the commission and  
33 for carrying out its duties in this chapter;

34 (c) Administer and enforce the provisions of this chapter;

35 (d) Designate a public records officer, rules coordinator, and  
36 other representatives required under laws governing state agencies  
37 and commissions;

38 (e) Comply with all other laws applicable to state agencies and  
39 commissions;

1 (f) Institute and maintain in its own name any legal actions,  
2 including actions by injunction, mandatory injunction, civil  
3 recovery, or proceedings before administrative tribunals or other  
4 governmental authorities necessary to carry out this chapter, and to  
5 sue and be sued as a commission, without individual liability for  
6 acts of the commission within the scope of the powers conferred by  
7 this chapter; and

8 (g) Keep accurate records of all receipts and disbursements,  
9 which must be open to inspection and audit by the state auditor or  
10 its designee at least every five years and at any time by a duly  
11 appointed internal auditor by majority vote of the commission.

12 (2) The commission may:

13 (a) Employ and discharge, in its discretion, managers,  
14 secretaries, agents, attorneys, and employees, and engage the  
15 services of independent contractors as the commission deems necessary  
16 to fulfill duties, and to fix compensation. However, until assessment  
17 collections in section 15 of this act equal at least \$1,000,000, the  
18 commission must contract for staff support;

19 (b) Acquire and transfer personal and real property, establish  
20 offices, incur expenses, enter into contracts and cooperative  
21 agreements, and create such debt and other liabilities as may be  
22 reasonable to fulfill its duties under this chapter;

23 (c) Make necessary disbursements for routine operating expenses;

24 (d) Expend funds for all activities permitted under this chapter;

25 (e) Cooperate with interested parties to fulfill its duties under  
26 this chapter;

27 (f) Serve as a liaison on behalf of the general cannabis  
28 producing and processing industries to the board and other interested  
29 parties, and not on behalf of any individual cannabis producer or  
30 cannabis producer/processor;

31 (g) Solicit, accept, retain, and expend any gifts, bequests,  
32 contributions, or grants from private persons or public agencies to  
33 carry out this chapter;

34 (h) Retain the services of private legal counsel, which is  
35 subject to the appointment and approval by the office of the state  
36 attorney general;

37 (i) Engage in appropriate activities and events to support  
38 commission activities authorized by this chapter;

39 (j) Participate in meetings, hearings, and other proceedings  
40 regarding cannabis, including, without limitation, the production,

1 irrigation, manufacture, regulation, transportation, distribution,  
2 sale, or use of cannabis, including activities authorized under RCW  
3 42.17A.635 and the reporting of such activities to the public  
4 disclosure commission;

5 (k) Obtain from the board, a list of the names and addresses of  
6 cannabis producers, cannabis processors, cannabis producer/  
7 processors, and cannabis retailers, and other available data from the  
8 state as requested by the commission relative to its duties under  
9 this chapter;

10 (l) Acquire, create, develop, and own intellectual property  
11 rights, licenses, and patents, and to collect royalties resulting  
12 from the sale or licensing of commission-funded research. However,  
13 results and recommendations from research conducted or funded by the  
14 commission must be available to all cannabis producers and cannabis  
15 producer/processors without charge, except for reasonable costs as  
16 the commission may determine;

17 (m) Speak on behalf of the Washington state government regarding  
18 agricultural production of cannabis in this state, subject to  
19 oversight of both the director and the director of the board;

20 (n) Possess cannabis products for the limited purposes of this  
21 chapter;

22 (o) Adopt rules to implement this chapter; and

23 (p) Exercise other powers and duties reasonably necessary to  
24 carry out this chapter.

25 NEW SECTION. **Sec. 6.** The department must serve as the  
26 commission's rules coordinator. Rules adopted by the commission must  
27 be approved by the director.

28 NEW SECTION. **Sec. 7.** (1) The commission is composed of the  
29 following 13 voting members:

30 (a) Eight cannabis producer or cannabis producer/processor  
31 members, two each from district 1, district 2, district 3, and  
32 district 4;

33 (b) One statewide at-large cannabis producer or cannabis  
34 producer/processor member who is licensed by the liquor and cannabis  
35 board pursuant to social equity criteria under separately enacted  
36 legislation identified in section 3(7) of this act;

37 (c) One statewide tier one cannabis producer or cannabis  
38 producer/processor member from any district;



1 (d) One statewide tier two cannabis producer or cannabis  
2 producer/processor member from any district;

3 (e) One statewide tier three cannabis producer or cannabis  
4 producer/processor member from any district; and

5 (f) The director.

6 (2) Except as provided in subsection (6) of this section, each  
7 member of the commission other than the director must:

8 (a) Be 21 years of age or older;

9 (b) Be a citizen and resident of this state;

10 (c) Directly hold or be named an owner in whole or majority part  
11 of an entity holding the relevant business license issued by the  
12 board. This license must not be suspended at the time of nomination,  
13 election, or appointment and must not be suspended at any time during  
14 the member's term;

15 (d) Be an officer or employee of a corporation, firm,  
16 partnership, association, or cooperative engaged in the active  
17 production of cannabis within this state for a period of three years  
18 and have, during that period, derived a substantial portion of his or  
19 her income from cannabis production; and

20 (e) Continue to meet all membership qualifications throughout the  
21 member's term.

22 (3) Seven voting members constitute a quorum of the commission.

23 (4) Commission members must be reimbursed for expenses incurred  
24 in the performance of their duties under this chapter in accordance  
25 with RCW 43.03.050 and 43.03.060.

26 (5) Commission members shall complete training on unconscious  
27 bias.

28 (6) The member of the commission identified in subsection (1)(b)  
29 of this section is not subject to the requirements in subsection  
30 (2)(d) of this section to be engaged in the active production of  
31 cannabis within this state for a period of three years and have,  
32 during that period, derived a substantial portion of his or her  
33 income from cannabis production.

34 NEW SECTION. **Sec. 8.** (1) The director must select initial  
35 members to appoint to the commission from a pool of self-nominated  
36 cannabis producers or cannabis producer/processors from district 1,  
37 district 2, district 3, and district 4.

38 (2) The director has discretion in determining which members are  
39 appointed to the term limits in (a) through (c) of this subsection

1 but, within 90 days after the effective date of this section, must  
2 appoint the initial commission members in accordance with the  
3 following:

4 (a) Four members must be appointed for a one-year term;

5 (b) Four members must be appointed for a two-year term; and

6 (c) Four members must be appointed for a three-year term.

7 (3) The commission must establish by rule the process by which  
8 commission members are elected and any vacancy appointments are made.

9 (4) When making initial and replacement appointments, the  
10 director must give priority to persons representing the diverse  
11 communities of the state to maintain a balanced representation of  
12 members where practicable.

13 NEW SECTION. **Sec. 9.** (1) On a fiscal year basis and before each  
14 fiscal year beginning, the commission must develop and submit, to the  
15 director, each of the following:

16 (a) A budget; and

17 (b) Any plans concerning, without limitation:

18 (i) The establishment, issuance, effectuation, or administration  
19 of commission governance issues; and

20 (ii) The initiation or establishment of any rule making.

21 (2) The director must timely review and approve or deny each  
22 submission in this section.

23 (3) The director must review the commission's education program  
24 to ensure its consistency with applicable state and federal laws.

25 NEW SECTION. **Sec. 10.** The commission must deposit moneys  
26 collected under this chapter and section 15 of this act in a separate  
27 account in the name of the commission in any bank that is a state  
28 depository. All expenditures and disbursements made from this account  
29 under this chapter may be made without the necessity of a specific  
30 legislative appropriation. None of the provisions of RCW 43.01.050  
31 and 69.50.540 apply to this account or to the moneys received,  
32 collected, or expended under this chapter.

33 NEW SECTION. **Sec. 11.** The fee levied under section 15 of this  
34 act constitutes a personal debt of every person charged or who  
35 otherwise owes the fee, and the fee is due and payable to the  
36 commission.

1        NEW SECTION.    **Sec. 12.**    (1) Financial and commercial information  
2 and records submitted to the board or the commission to administer  
3 this chapter may be shared between the board and the commission. The  
4 information or records may also be used, if required, in any action  
5 or administrative hearing relative to this chapter.

6        (2) This section does not prohibit:

7        (a) The issuance of general statements based upon the reports of  
8 a cannabis producer or cannabis producer/processor under this chapter  
9 if the statements do not identify a specific licensee; or

10       (b) The publication by the director or the commission of the name  
11 of a cannabis producer or cannabis producer/processor violating this  
12 chapter and a statement of the violation.

13       NEW SECTION.    **Sec. 13.**    Obligations incurred by the commission  
14 and any other liabilities or claims against the commission must be  
15 enforced only against the assets of the commission and, except to the  
16 extent of such assets, no liability for the debts or actions of the  
17 commission exists against either the state of Washington or any  
18 subdivision or instrumentality thereof or against any member,  
19 employee, or agent of the commission or the state of Washington in  
20 his or her individual capacity. Except as otherwise provided in this  
21 chapter, neither the commission members, nor its employees, may be  
22 held individually responsible for errors in judgment, mistakes, or  
23 other acts, either of commission or omission, as principal, agent,  
24 person, or employee, except for their own individual acts of  
25 dishonesty or crime. No person or employee may be held individually  
26 responsible for any act or omission of any other commission members.  
27 The liability of the commission members shall be several and not  
28 joint, and no member is liable for the default of any other member.  
29 This provision confirms that commission members have been and  
30 continue to be, state officers or volunteers for purposes of RCW  
31 4.92.075 and are entitled to the defenses, indemnifications,  
32 limitations of liability, and other protections and benefits of  
33 chapter 4.92 RCW.

34       NEW SECTION.    **Sec. 14.**    All costs incurred by the board and the  
35 department, including staff support and the adoption of rules or  
36 other actions necessary to carry out this chapter must be reimbursed  
37 by the commission. Costs incurred under this section must include

1 initial estimates of work and line-item accounting of the costs  
2 incurred.

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

5 (1) Pursuant to referendum under section 3 of this act, to  
6 provide for permanent funding of the Washington state cannabis  
7 commission, the board must impose and collect an assessment from all  
8 cannabis producers and cannabis producer/processors.

9 (2) The initial rate of assessment is:

10 (a) 0.29 percent of all sales revenue conducted by a cannabis  
11 producer who is not a cannabis producer/processor subject to an  
12 assessment under (b) of this subsection; and

13 (b) 0.145 percent of all sales revenue conducted by a cannabis  
14 producer/processor.

15 (3) After the initial assessment is approved, the commission may  
16 modify the assessment if submitted for approval by referendum. The  
17 requirements of assent or approval of a referendum under this  
18 subsection are met if:

19 (a) At least 60 percent by numbers of the participants in the  
20 referendum vote affirmatively to approve the modification; and

21 (b) At least 40 percent of the active cannabis producers and 40  
22 percent of the active cannabis producer/processors have been  
23 represented in the referendum to determine assent or approval of the  
24 modification.

25 (4) Assessments collected under this section must be disbursed at  
26 least quarterly to the Washington state cannabis commission  
27 established in section 4 of this act for use in carrying out the  
28 purposes of chapter 15.--- RCW (the new chapter created in section 17  
29 of this act).

30 (5) Until October 31, 2028, the assessments in this section do  
31 not apply to a cannabis producer or cannabis producer/processor  
32 licensed under the social equity program in this chapter.

33 **Sec. 16.** RCW 41.06.070 and 2019 c 146 s 3 are each amended to  
34 read as follows:

35 (1) The provisions of this chapter do not apply to:

36 (a) The members of the legislature or to any employee of, or  
37 position in, the legislative branch of the state government including  
38 members, officers, and employees of the legislative council, joint

1 legislative audit and review committee, statute law committee, and  
2 any interim committee of the legislature;

3 (b) The justices of the supreme court, judges of the court of  
4 appeals, judges of the superior courts or of the inferior courts, or  
5 to any employee of, or position in the judicial branch of state  
6 government;

7 (c) Officers, academic personnel, and employees of technical  
8 colleges;

9 (d) The officers of the Washington state patrol;

10 (e) Elective officers of the state;

11 (f) The chief executive officer of each agency;

12 (g) In the departments of employment security and social and  
13 health services, the director and the director's confidential  
14 secretary; in all other departments, the executive head of which is  
15 an individual appointed by the governor, the director, his or her  
16 confidential secretary, and his or her statutory assistant directors;

17 (h) In the case of a multimember board, commission, or committee,  
18 whether the members thereof are elected, appointed by the governor or  
19 other authority, serve ex officio, or are otherwise chosen:

20 (i) All members of such boards, commissions, or committees;

21 (ii) If the members of the board, commission, or committee serve  
22 on a part-time basis and there is a statutory executive officer: The  
23 secretary of the board, commission, or committee; the chief executive  
24 officer of the board, commission, or committee; and the confidential  
25 secretary of the chief executive officer of the board, commission, or  
26 committee;

27 (iii) If the members of the board, commission, or committee serve  
28 on a full-time basis: The chief executive officer or administrative  
29 officer as designated by the board, commission, or committee; and a  
30 confidential secretary to the chair of the board, commission, or  
31 committee;

32 (iv) If all members of the board, commission, or committee serve  
33 ex officio: The chief executive officer; and the confidential  
34 secretary of such chief executive officer;

35 (i) The confidential secretaries and administrative assistants in  
36 the immediate offices of the elective officers of the state;

37 (j) Assistant attorneys general;

38 (k) Commissioned and enlisted personnel in the military service  
39 of the state;

- 1 (l) Inmate, student, and temporary employees, and part-time  
2 professional consultants, as defined by the director;
- 3 (m) Officers and employees of the Washington state fruit  
4 commission;
- 5 (n) Officers and employees of the Washington apple commission;
- 6 (o) Officers and employees of the Washington state dairy products  
7 commission;
- 8 (p) Officers and employees of the Washington tree fruit research  
9 commission;
- 10 (q) Officers and employees of the Washington state beef  
11 commission;
- 12 (r) Officers and employees of the Washington grain commission;
- 13 (s) Officers and employees of any commission formed under chapter  
14 15.66 RCW;
- 15 (t) Officers and employees of agricultural commissions formed  
16 under chapter 15.65 RCW;
- 17 (u) Executive assistants for personnel administration and labor  
18 relations in all state agencies employing such executive assistants  
19 including but not limited to all departments, offices, commissions,  
20 committees, boards, or other bodies subject to the provisions of this  
21 chapter and this subsection shall prevail over any provision of law  
22 inconsistent herewith unless specific exception is made in such law;
- 23 (v) In each agency with fifty or more employees: Deputy agency  
24 heads, assistant directors or division directors, and not more than  
25 three principal policy assistants who report directly to the agency  
26 head or deputy agency heads;
- 27 (w) Staff employed by the department of commerce to administer  
28 energy policy functions;
- 29 (x) The manager of the energy facility site evaluation council;
- 30 (y) A maximum of ten staff employed by the department of commerce  
31 to administer innovation and policy functions, including the three  
32 principal policy assistants exempted under (v) of this subsection;
- 33 (z) Staff employed by Washington State University to administer  
34 energy education, applied research, and technology transfer programs  
35 under RCW 43.21F.045 as provided in RCW 28B.30.900(5);
- 36 (aa) Officers and employees of the consolidated technology  
37 services agency created in RCW 43.105.006 that perform the following  
38 functions or duties: Systems integration; data center engineering and  
39 management; network systems engineering and management; information

1 technology contracting; information technology customer relations  
2 management; and network and systems security;

3 (bb) The executive director of the Washington statewide reentry  
4 council; and

5 (cc) Officers and employees of the Washington state cannabis  
6 commission under chapter 15.--- RCW (the new chapter created in  
7 section 17 of this act).

8 (2) The following classifications, positions, and employees of  
9 institutions of higher education and related boards are hereby  
10 exempted from coverage of this chapter:

11 (a) Members of the governing board of each institution of higher  
12 education and related boards, all presidents, vice presidents, and  
13 their confidential secretaries, administrative, and personal  
14 assistants; deans, directors, and chairs; academic personnel; and  
15 executive heads of major administrative or academic divisions  
16 employed by institutions of higher education; principal assistants to  
17 executive heads of major administrative or academic divisions; other  
18 managerial or professional employees in an institution or related  
19 board having substantial responsibility for directing or controlling  
20 program operations and accountable for allocation of resources and  
21 program results, or for the formulation of institutional policy, or  
22 for carrying out personnel administration or labor relations  
23 functions, legislative relations, public information, development,  
24 senior computer systems and network programming, or internal audits  
25 and investigations; and any employee of a community college district  
26 whose place of work is one which is physically located outside the  
27 state of Washington and who is employed pursuant to RCW 28B.50.092  
28 and assigned to an educational program operating outside of the state  
29 of Washington;

30 (b) The governing board of each institution, and related boards,  
31 may also exempt from this chapter classifications involving research  
32 activities, counseling of students, extension or continuing education  
33 activities, graphic arts or publications activities requiring  
34 prescribed academic preparation or special training as determined by  
35 the board: PROVIDED, That no nonacademic employee engaged in office,  
36 clerical, maintenance, or food and trade services may be exempted by  
37 the board under this provision;

38 (c) Printing craft employees in the department of printing at the  
39 University of Washington.

1 (3) In addition to the exemptions specifically provided by this  
2 chapter, the director may provide for further exemptions pursuant to  
3 the following procedures. The governor or other appropriate elected  
4 official may submit requests for exemption to the office of financial  
5 management stating the reasons for requesting such exemptions. The  
6 director shall hold a public hearing, after proper notice, on  
7 requests submitted pursuant to this subsection. If the director  
8 determines that the position for which exemption is requested is one  
9 involving substantial responsibility for the formulation of basic  
10 agency or executive policy or one involving directing and controlling  
11 program operations of an agency or a major administrative division  
12 thereof, or is a senior expert in enterprise information technology  
13 infrastructure, engineering, or systems, the director shall grant the  
14 request. The total number of additional exemptions permitted under  
15 this subsection shall not exceed one percent of the number of  
16 employees in the classified service not including employees of  
17 institutions of higher education and related boards for those  
18 agencies not directly under the authority of any elected public  
19 official other than the governor, and shall not exceed a total of  
20 twenty-five for all agencies under the authority of elected public  
21 officials other than the governor.

22 (4) The salary and fringe benefits of all positions presently or  
23 hereafter exempted except for the chief executive officer of each  
24 agency, full-time members of boards and commissions, administrative  
25 assistants and confidential secretaries in the immediate office of an  
26 elected state official, and the personnel listed in subsections  
27 (1)(j) through (t), (cc), and (2) of this section, shall be  
28 determined by the director. Changes to the classification plan  
29 affecting exempt salaries must meet the same provisions for  
30 classified salary increases resulting from adjustments to the  
31 classification plan as outlined in RCW 41.06.152.

32 (5)(a) Any person holding a classified position subject to the  
33 provisions of this chapter shall, when and if such position is  
34 subsequently exempted from the application of this chapter, be  
35 afforded the following rights: If such person previously held  
36 permanent status in another classified position, such person shall  
37 have a right of reversion to the highest class of position previously  
38 held, or to a position of similar nature and salary.

39 (b) Any classified employee having civil service status in a  
40 classified position who accepts an appointment in an exempt position



1 shall have the right of reversion to the highest class of position  
2 previously held, or to a position of similar nature and salary.

3 (c) A person occupying an exempt position who is terminated from  
4 the position for gross misconduct or malfeasance does not have the  
5 right of reversion to a classified position as provided for in this  
6 section.

7 NEW SECTION. **Sec. 17.** Sections 1 through 14 of this act  
8 constitute a new chapter in Title 15 RCW."

9 Correct the title.

EFFECT: (1) Adds intent that the Washington state cannabis  
commission (commission) is intended to support social equity efforts  
in the cannabis industry, including increasing participation in  
licensed cannabis production and licensed cannabis production and  
processing by persons who reside in, or have resided in, a  
disproportionately impacted area, or who are both a socially and  
economically disadvantaged individual as defined by the office of  
minority and women's business enterprises (OMWBE), with a goal of  
reducing accumulated harm suffered by individuals, families, and  
local areas subject to severe impacts from the historical application  
and enforcement of cannabis prohibition laws.

(2) Modifies the commission's purposes as follows: (a) Eliminates  
the purpose of fostering conditions favorable to investment in  
cannabis produced in Washington in accordance with state and federal  
laws; (b) removes a reference to ensuring reliable and economical  
cannabis product in Washington, in the context of the purpose of  
discovering and developing new and improved cultivars; (c) removes a  
reference to ensuring a balanced and sufficient supply of cannabis  
and cannabis products of good quality during all seasons and at all  
times, in the context of the purpose of protecting the interest of  
consumers and Washington by advising on the overall production of  
cannabis; and (d) adds a purpose of the commission to support  
Washington state's policies and work to improve social equity in the  
cannabis industry by increasing participation in licensed cannabis  
production and licensed cannabis production and processing by persons  
who reside in, or have resided in, a disproportionately impacted  
area, or who are both a socially and economically disadvantaged  
individual as defined by OMWBE, and raising awareness about and  
working to eliminate unconscious bias.

(3) Requires commission members to complete training on  
unconscious bias.

(4) Specifies that no referendum to establish the commission may  
be conducted until July 1, 2025, unless the director of the  
Washington state department of agriculture receives written notice  
from the liquor and cannabis board (LCB) that, pursuant to separate  
legislation enacted after January 1, 2023, the LCB has issued or  
reissued the maximum number of cannabis producer and processor  
licenses made available for issuance or reissuance to applicants  
meeting social equity criteria under the terms of the separately  
enacted legislation.

(5) Specifies that the statewide at-large cannabis producer or  
cannabis producer/processor member of the 13-member commission: (a)

Must be licensed by the LCB pursuant to social equity criteria under separately enacted legislation expanding the existing cannabis social equity program to include issuing or reissuing cannabis producer and processor licenses; and (b) is not subject to the requirements that the member be engaged in the active production of cannabis within Washington for a period of three years and have, during that period, derived a substantial portion of his or her income from cannabis production.

--- END ---