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**HOUSE BILL 1083**

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**State of Washington**

**68th Legislature**

**2023 Regular Session**

**By** Representatives Robertson and Rule

Prefiled 12/27/22.

1 AN ACT Relating to ensuring reasonable terms of payment are  
2 available to cannabis retailers when contracting with cannabis  
3 processors for the purchase of cannabis products; and amending RCW  
4 69.50.395.

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

6 **Sec. 1.** RCW 69.50.395 and 2022 c 16 s 83 are each amended to  
7 read as follows:

8 (1) A licensed cannabis business may enter into an agreement with  
9 any person, business, or other entity for:

10 (a) Any goods or services that are registered as a trademark  
11 under federal law, under chapter 19.77 RCW, or under any other state  
12 or international trademark law;

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

14 (c) Any trade secret, technology, or proprietary information used  
15 to manufacture a cannabis product or used to provide a service  
16 related to any cannabis business.

17 (2) Any agreements entered into by a licensed cannabis business,  
18 as authorized under this section, must be disclosed to the board and  
19 may include:

20 (a) A royalty fee or flat rate calculated based on sales of each  
21 product that includes the intellectual property or was manufactured

1 or sold using the licensed intellectual property or service, provided  
2 that the royalty fee is no greater than an amount equivalent to ten  
3 percent of the licensed cannabis business's gross sales derived from  
4 the sale of such product;

5 (b) A flat rate or lump sum calculated based on time or  
6 milestones;

7 (c) Terms giving either party exclusivity or qualified  
8 exclusivity as it relates to use of the intellectual property;

9 (d) Quality control standards as necessary to protect the  
10 integrity of the intellectual property;

11 (e) Enforcement obligations to be undertaken by the licensed  
12 cannabis business;

13 (f) Covenants to use the licensed intellectual property; and

14 (g) Assignment of licensor improvements of the intellectual  
15 property.

16 (3) A person, business, or entity that enters into an agreement  
17 with a licensed cannabis business, where both parties to the  
18 agreement are in compliance with the terms of this section, is exempt  
19 from the requirement to qualify for a cannabis business license for  
20 purposes of the agreements authorized by subsection (1) of this  
21 section.

22 (4) All agreements entered into by a licensed cannabis business,  
23 as authorized by this section, are subject to the board's  
24 recordkeeping requirements as established by rule.

25 (5)(a) A contract between a cannabis processor and a cannabis  
26 retailer for the purchase and sale of cannabis products:

27 (i) May allow the cannabis retailer to tender full or final  
28 payment to the cannabis processor on a date after the date the  
29 cannabis products are delivered to or received by the cannabis  
30 retailer; and

31 (ii) Must require the cannabis retailer to tender full or final  
32 payment to the cannabis processor on a date not more than 15 calendar  
33 days after the date the cannabis products are delivered to or  
34 received by the cannabis retailer.

35 (b) This subsection (5) applies to contracts entered or renewed  
36 on or after the effective date of this section.

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