
HOUSE BILL 1289

State of Washington **66th Legislature** **2019 Regular Session**

By Representatives Stanford, Appleton, Macri, Vick, Doglio,
Fitzgibbon, and Stonier

Read first time 01/18/19. Referred to Committee on Commerce &
Gaming.

1 AN ACT Relating to licensed marijuana businesses; amending RCW
2 69.50.331, 69.50.325, and 69.50.342; reenacting and amending RCW
3 69.50.101; and adding a new section to chapter 69.50 RCW.

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

5 **Sec. 1.** RCW 69.50.331 and 2017 c 317 s 2 are each amended to
6 read as follows:

7 (1) For the purpose of considering any application for a license
8 to produce, process, research, transport, or deliver marijuana,
9 useable marijuana, marijuana concentrates, or marijuana-infused
10 products subject to the regulations established under RCW 69.50.385,
11 or sell marijuana, or for the renewal of a license to produce,
12 process, research, transport, or deliver marijuana, useable
13 marijuana, marijuana concentrates, or marijuana-infused products
14 subject to the regulations established under RCW 69.50.385, or sell
15 marijuana, the ((state liquor and cannabis)) board must conduct a
16 comprehensive, fair, and impartial evaluation of the applications
17 timely received.

18 (a) The ((state liquor and cannabis)) board may cause an
19 inspection of the premises to be made, and may inquire into all
20 matters in connection with the construction and operation of the
21 premises. For the purpose of reviewing any application for a license

1 and for considering the denial, suspension, revocation, or renewal or
2 denial thereof, of any license, the ((~~state liquor and cannabis~~))
3 board may consider any prior criminal conduct of the applicant
4 including an administrative violation history record with the ((~~state~~
5 ~~liquor and cannabis~~)) board and a criminal history record information
6 check. The ((~~state liquor and cannabis~~)) board may submit the
7 criminal history record information check to the Washington state
8 patrol and to the identification division of the federal bureau of
9 investigation in order that these agencies may search their records
10 for prior arrests and convictions of the individual or individuals
11 who filled out the forms. The ((~~state liquor and cannabis~~)) board
12 must require fingerprinting of any applicant whose criminal history
13 record information check is submitted to the federal bureau of
14 investigation. The provisions of RCW 9.95.240 and of chapter 9.96A
15 RCW do not apply to these cases. Subject to the provisions of this
16 section, the ((~~state liquor and cannabis~~)) board may, in its
17 discretion, grant or deny the renewal or license applied for. Denial
18 may be based on, without limitation, the existence of chronic illegal
19 activity documented in objections submitted pursuant to subsections
20 (7)(c) and (10) of this section. Authority to approve an uncontested
21 or unopposed license may be granted by the ((~~state liquor and~~
22 ~~cannabis~~)) board to any staff member the board designates in writing.
23 Conditions for granting this authority must be adopted by rule.

24 (b) Except as provided in (c) of this subsection, no license of
25 any kind may be issued to:

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

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

30 (iii) A ((~~partnership, employee cooperative, association,~~
31 ~~nonprofit corporation, or corporation~~)) business or nonprofit entity,
32 unless formed under the laws of this state, and unless all of the
33 ((~~members thereof~~)) interest holders are qualified to obtain a
34 license as provided in this section and have lawfully resided in the
35 state for at least six months before applying to receive a license;
36 or

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

1 (c) In accordance with section 4 of this act, the board may issue
2 a marijuana producer, processor, or retailer license to an applicant
3 that is a sole proprietor or business or nonprofit entity not formed
4 under the laws of this state, and for which any or all interest
5 holders are not residents of this state, if the following
6 requirements are met:

7 (i) The applicant must have in effect a labor peace agreement and
8 be in compliance with section 4 of this act and all other provisions
9 of this chapter;

10 (ii) If the applicant is a business or nonprofit entity, the
11 entity must hold a certificate of registration under chapter 23.95
12 RCW; and

13 (iii) All interest holders must be resident citizens of the
14 United States and qualified as provided in this section.

15 (d) The board may deny a license or license renewal to a person
16 or entity if the board is unable to investigate a person or interest
17 holder to ensure compliance with this chapter.

18 (2) (a) The ~~((state liquor and cannabis))~~ board may, in its
19 discretion, subject to the provisions of RCW 69.50.334, suspend or
20 cancel any license; and all protections of the licensee from criminal
21 or civil sanctions under state law for producing, processing,
22 researching, or selling marijuana, marijuana concentrates, useable
23 marijuana, or marijuana-infused products thereunder must be suspended
24 or terminated, as the case may be.

25 (b) The ~~((state liquor and cannabis))~~ board must immediately
26 suspend the license of a person who has been certified pursuant to
27 RCW 74.20A.320 by the department of social and health services as a
28 person who is not in compliance with a support order. If the person
29 has continued to meet all other requirements for reinstatement during
30 the suspension, reissuance of the license is automatic upon the
31 ~~((state liquor and cannabis))~~ board's receipt of a release issued by
32 the department of social and health services stating that the
33 licensee is in compliance with the order.

34 (c) The ~~((state liquor and cannabis))~~ board may request the
35 appointment of administrative law judges under chapter 34.12 RCW who
36 shall have power to administer oaths, issue subpoenas for the
37 attendance of witnesses and the production of papers, books,
38 accounts, documents, and testimony, examine witnesses, and to receive
39 testimony in any inquiry, investigation, hearing, or proceeding in

1 any part of the state, under rules ((and regulations)) the ((state
2 liquor and cannabis)) board may adopt.

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

8 (e) In case of disobedience of any person to comply with the
9 order of the ((state liquor and cannabis)) board or a subpoena issued
10 by the ((state liquor and cannabis)) board, or any of its members, or
11 administrative law judges, or on the refusal of a witness to testify
12 to any matter regarding which he or she may be lawfully interrogated,
13 the judge of the superior court of the county in which the person
14 resides, on application of any member of the board or administrative
15 law judge, compels obedience by contempt proceedings, as in the case
16 of disobedience of the requirements of a subpoena issued from said
17 court or a refusal to testify therein.

18 (f) In accordance with section 4 of this act, the board shall
19 suspend, cancel, or revoke the license of an establishment for which
20 the board determines there is no longer a labor peace agreement in
21 effect and for which a labor peace agreement is required under this
22 section or section 4 of this act.

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

35 (4) Every license issued under this chapter is subject to all
36 conditions and restrictions imposed by this chapter or by rules
37 adopted by the ((state liquor and cannabis)) board to implement and
38 enforce this chapter. All conditions and restrictions imposed by the
39 ((state liquor and cannabis)) board in the issuance of an individual

1 license must be listed on the face of the individual license along
2 with the trade name, address, and expiration date.

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

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

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

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

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

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

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

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

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

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

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

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

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

3 (e) The (~~state liquor and cannabis~~) board may not issue a
4 license for any premises within Indian country, as defined in 18
5 U.S.C. Sec. 1151, including any fee patent lands within the exterior
6 boundaries of a reservation, without the consent of the federally
7 recognized tribe associated with the reservation or Indian country.

8 (9) A city, town, or county may adopt an ordinance prohibiting a
9 marijuana producer or marijuana processor from operating or locating
10 a business within areas zoned primarily for residential use or rural
11 use with a minimum 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.

20 (11) Nothing in this chapter prevents:

21 (a) An interest in a business with a marijuana producer,
22 processor, retailer, or transportation license from transferring,
23 upon the death or incapacity of the owner, to an heir or assign of
24 the owner in accordance with the uniform transfers to minors act,
25 chapter 11.114 RCW, or otherwise, even if the heir or assign is under
26 age twenty-one; or

27 (b) A person or entity with an interest in a licensed marijuana
28 producer, processor, or retailer from forming a separate entity that
29 is a holding company to provide management services to the licensee
30 or a group of licensees under common ownership. Such a holding
31 company may be a publicly held or privately held entity, and is not
32 required to be licensed under this chapter so long as:

33 (i) The holding company provides only those services that qualify
34 as management services;

35 (ii) The holding company does not in the state of Washington
36 engage in producing, processing, possessing, selling, distributing,
37 transporting, or transferring marijuana, marijuana products, immature
38 plants or clones, or seeds; and

1 (iii) All contracts entered into by a licensed marijuana business
2 and a holding company, as authorized under this subsection (11), must
3 be disclosed to the board.

4 (12) For the purposes of this section:

5 (a) "Chronic illegal activity" means ~~((a))~~:

6 (i) A pervasive pattern of activity that threatens the public
7 health, safety, and welfare of the city, town, or county including,
8 but not limited to, open container violations, assaults,
9 disturbances, disorderly conduct, or other criminal law violations,
10 or as documented in crime statistics, police reports, emergency
11 medical response data, calls for service, field data, or similar
12 records of a law enforcement agency for the city, town, county, or
13 any other municipal corporation or any state agency; or ~~((b))~~

14 (ii) An unreasonably high number of citations for violations of
15 RCW 46.61.502 associated with the applicant's or licensee's operation
16 of any licensed premises as indicated by the reported statements
17 given to law enforcement upon arrest.

18 (b) "Common ownership" means having at least one person with an
19 ownership interest in all of the licensees.

20 (c) "Entity" has the meaning provided in RCW 23.95.105.

21 (d) "Interest" has the meaning provided in RCW 23.95.105.

22 (e) "Interest holder" has the meaning provided in RCW 23.95.105.

23 (f) "Management services" means the following services performed
24 for a licensed marijuana producer, processor, or retailer, or for a
25 group of such licensees under common ownership:

26 (i) Administration and payment of federal, state, and local tax
27 obligations;

28 (ii) Administration and payment of employee salaries, benefits,
29 and contractor payments;

30 (iii) Management of intellectual property; and

31 (iv) Any other services authorized by the board in rule.

32 **Sec. 2.** RCW 69.50.325 and 2018 c 132 s 3 are each amended to
33 read as follows:

34 (1) (a) There shall be a marijuana producer's license regulated by
35 the ~~((state liquor and cannabis))~~ board and subject to annual
36 renewal. The licensee is authorized to produce: (a) Marijuana for
37 sale at wholesale to marijuana processors and other marijuana
38 producers; (b) immature plants or clones and seeds for sale to
39 cooperatives as described under RCW 69.51A.250; and (c) immature

1 plants or clones and seeds for sale to qualifying patients and
2 designated providers as provided under RCW 69.51A.310. The
3 production, possession, delivery, distribution, and sale of marijuana
4 in accordance with the provisions of this chapter and the rules
5 adopted to implement and enforce it, by a validly licensed marijuana
6 producer, shall not be a criminal or civil offense under Washington
7 state law. Every marijuana producer's license shall be issued in the
8 name of the applicant, shall specify the location at which the
9 marijuana producer intends to operate, which must be within the state
10 of Washington, and the holder thereof shall not allow any other
11 person to use the license. The application fee for a marijuana
12 producer's license shall be two hundred fifty dollars. The annual fee
13 for issuance and renewal of a marijuana producer's license shall be
14 one thousand three hundred eighty-one dollars. A separate license
15 shall be required for each location at which a marijuana producer
16 intends to produce marijuana.

17 (b) In accordance with RCW 69.50.342(3), if the board adopts
18 rules limiting the collective number of marijuana producer or
19 processor licenses that an individual producer or processor licensee
20 and all other persons or entities with a financial or other ownership
21 interest in the business operating under the license are limited, in
22 the aggregate, to holding, then the board's rules must provide a
23 similar exemption for individual marijuana producer or processor
24 licensees that have in effect a labor peace agreement to the same
25 extent as is provided in subsection (3)(b) of this section for
26 marijuana retailers with a labor peace agreement.

27 (2) There shall be a marijuana processor's license to process,
28 package, and label marijuana concentrates, useable marijuana, and
29 marijuana-infused products for sale at wholesale to marijuana
30 processors and marijuana retailers, regulated by the (~~state liquor~~
31 ~~and cannabis~~) board and subject to annual renewal. The processing,
32 packaging, possession, delivery, distribution, and sale of marijuana,
33 useable marijuana, marijuana-infused products, and marijuana
34 concentrates in accordance with the provisions of this chapter and
35 chapter 69.51A RCW and the rules adopted to implement and enforce
36 these chapters, by a validly licensed marijuana processor, shall not
37 be a criminal or civil offense under Washington state law. Every
38 marijuana processor's license shall be issued in the name of the
39 applicant, shall specify the location at which the licensee intends
40 to operate, which must be within the state of Washington, and the

1 holder thereof shall not allow any other person to use the license.
2 The application fee for a marijuana processor's license shall be two
3 hundred fifty dollars. The annual fee for issuance and renewal of a
4 marijuana processor's license shall be one thousand three hundred
5 eighty-one dollars. A separate license shall be required for each
6 location at which a marijuana processor intends to process marijuana.
7 Subsection (1)(b) of this section applies to marijuana processors.

8 (3)(a) There shall be a marijuana retailer's license to sell
9 marijuana concentrates, useable marijuana, and marijuana-infused
10 products at retail in retail outlets, regulated by the (~~state liquor~~
11 ~~and cannabis~~) board and subject to annual renewal. The possession,
12 delivery, distribution, and sale of marijuana concentrates, useable
13 marijuana, and marijuana-infused products in accordance with the
14 provisions of this chapter and the rules adopted to implement and
15 enforce it, by a validly licensed marijuana retailer, shall not be a
16 criminal or civil offense under Washington state law. Every marijuana
17 retailer's license shall be issued in the name of the applicant,
18 shall specify the location of the retail outlet the licensee intends
19 to operate, which must be within the state of Washington, and the
20 holder thereof shall not allow any other person to use the license.
21 The application fee for a marijuana retailer's license shall be two
22 hundred fifty dollars. The annual fee for issuance and renewal of a
23 marijuana retailer's license shall be one thousand three hundred
24 eighty-one dollars. A separate license shall be required for each
25 location at which a marijuana retailer intends to sell marijuana
26 concentrates, useable marijuana, and marijuana-infused products.

27 (b)(i) Except as provided in (b)(ii) of this subsection, an
28 individual retail licensee and all other persons or entities with a
29 financial or other ownership interest in the business operating under
30 the license are limited, in the aggregate, to holding a collective
31 total of not more than five retail marijuana licenses.

32 (ii) Subsection (3)(b)(i) of this section does not apply to a
33 licensed marijuana retailer or applicant for such a license that has
34 in effect a labor peace agreement covering each retail establishment
35 if the licensee is in compliance with section 4 of this act.

36 (c)(i) A marijuana retailer's license is subject to forfeiture in
37 accordance with rules adopted by the (~~state liquor and cannabis~~)
38 board pursuant to this section.

39 (ii) The (~~state liquor and cannabis~~) board shall adopt rules to
40 establish a license forfeiture process for a licensed marijuana

1 retailer that is not fully operational and open to the public within
2 a specified period from the date of license issuance, as established
3 by the (~~state liquor and cannabis~~) board, subject to the following
4 restrictions:

5 (A) No marijuana retailer's license may be subject to forfeiture
6 within the first nine months of license issuance; and

7 (B) The (~~state liquor and cannabis~~) board must require license
8 forfeiture on or before twenty-four calendar months of license
9 issuance if a marijuana retailer is not fully operational and open to
10 the public, unless the board determines that circumstances out of the
11 licensee's control are preventing the licensee from becoming fully
12 operational and that, in the board's discretion, the circumstances
13 warrant extending the forfeiture period beyond twenty-four calendar
14 months.

15 (iii) The (~~state liquor and cannabis~~) board has discretion in
16 adopting rules under (~~this subsection (3)(c)~~) (b) of this
17 subsection.

18 (~~iv) (This subsection (3)(c) applies to marijuana retailer's~~
19 ~~licenses issued before and after July 23, 2017. However, no license~~
20 ~~of a marijuana retailer that otherwise meets the conditions for~~
21 ~~license forfeiture established pursuant to this subsection (3)(c) may~~
22 ~~be subject to forfeiture within the first nine calendar months of~~
23 ~~July 23, 2017.~~

24 (~~v~~) The (~~state liquor and cannabis~~) board may not require
25 license forfeiture if the licensee has been incapable of opening a
26 fully operational retail marijuana business due to actions by the
27 city, town, or county with jurisdiction over the licensee that
28 include any of the following:

29 (A) The adoption of a ban or moratorium that prohibits the
30 opening of a retail marijuana business; or

31 (B) The adoption of an ordinance or regulation related to zoning,
32 business licensing, land use, or other regulatory measure that has
33 the effect of preventing a licensee from receiving an occupancy
34 permit from the jurisdiction or which otherwise prevents a licensed
35 marijuana retailer from becoming operational.

36 **Sec. 3.** RCW 69.50.342 and 2015 2nd sp.s. c 4 s 1601 are each
37 amended to read as follows:

38 (1) For the purpose of carrying into effect the provisions of
39 chapter 3, Laws of 2013 according to their true intent or of

1 supplying any deficiency therein, (~~the state liquor and cannabis~~)
2 and except as provided in subsection (3) of this section, the board
3 may adopt rules not inconsistent with the spirit of chapter 3, Laws
4 of 2013 as are deemed necessary or advisable. Without limiting the
5 generality of the preceding sentence, the (~~state liquor and~~
6 ~~cannabis~~) board is empowered to adopt rules regarding the following:

7 (a) The equipment and management of retail outlets and premises
8 where marijuana is produced or processed, and inspection of the
9 retail outlets and premises where marijuana is produced or processed;

10 (b) The books and records to be created and maintained by
11 licensees, the reports to be made thereon to the (~~state liquor and~~
12 ~~cannabis~~) board, and inspection of the books and records;

13 (c) Methods of producing, processing, and packaging marijuana,
14 useable marijuana, marijuana concentrates, and marijuana-infused
15 products; conditions of sanitation; safe handling requirements;
16 approved pesticides and pesticide testing requirements; and standards
17 of ingredients, quality, and identity of marijuana, useable
18 marijuana, marijuana concentrates, and marijuana-infused products
19 produced, processed, packaged, or sold by licensees;

20 (d) Security requirements for retail outlets and premises where
21 marijuana is produced or processed, and safety protocols for
22 licensees and their employees;

23 (e) Screening, hiring, training, and supervising employees of
24 licensees;

25 (f) Retail outlet locations and hours of operation;

26 (g) Labeling requirements and restrictions on advertisement of
27 marijuana, useable marijuana, marijuana concentrates, cannabis health
28 and beauty aids, and marijuana-infused products for sale in retail
29 outlets;

30 (h) Forms to be used for purposes of this chapter and chapter
31 69.51A RCW or the rules adopted to implement and enforce these
32 chapters, the terms and conditions to be contained in licenses issued
33 under this chapter and chapter 69.51A RCW, and the qualifications for
34 receiving a license issued under this chapter and chapter 69.51A RCW,
35 including a criminal history record information check. The (~~state~~
36 ~~liquor and cannabis~~) board may submit any criminal history record
37 information check to the Washington state patrol and to the
38 identification division of the federal bureau of investigation in
39 order that these agencies may search their records for prior arrests
40 and convictions of the individual or individuals who filled out the

1 forms. The ((state liquor and cannabis)) board must require
2 fingerprinting of any applicant whose criminal history record
3 information check is submitted to the federal bureau of
4 investigation;

5 (i) Application, reinstatement, and renewal fees for licenses
6 issued under this chapter and chapter 69.51A RCW, and fees for
7 anything done or permitted to be done under the rules adopted to
8 implement and enforce this chapter and chapter 69.51A RCW;

9 (j) The manner of giving and serving notices required by this
10 chapter and chapter 69.51A RCW or rules adopted to implement or
11 enforce these chapters;

12 (k) Times and periods when, and the manner, methods, and means by
13 which, licensees transport and deliver marijuana, marijuana
14 concentrates, useable marijuana, and marijuana-infused products
15 within the state;

16 (l) Identification, seizure, confiscation, destruction, or
17 donation to law enforcement for training purposes of all marijuana,
18 marijuana concentrates, useable marijuana, and marijuana-infused
19 products produced, processed, sold, or offered for sale within this
20 state which do not conform in all respects to the standards
21 prescribed by this chapter or chapter 69.51A RCW or the rules adopted
22 to implement and enforce these chapters; and

23 (m) Types of authorized management services that, in accordance
24 with RCW 69.50.331(11), an entity that is a holding company may
25 perform for a marijuana licensee or group of marijuana licensees
26 under common ownership.

27 (2) Rules adopted on retail outlets holding medical marijuana
28 endorsements must be adopted in coordination and consultation with
29 the department.

30 (3) (a) No rule may:

31 (i) Limit the number of marijuana retailer licenses that an
32 individual retail licensee and other persons or entities with a
33 financial or other ownership interest in the business operating under
34 the license may hold in the aggregate, if the retailer has in effect
35 a labor peace agreement covering each licensed establishment as
36 provided in section 4 of this act;

37 (ii) Limit the number of marijuana producer or processor licenses
38 that an individual producer or processor licensee and other persons
39 or entities with a financial or other ownership interest in the
40 business operating under the license may hold in the aggregate, if

1 the producer or processor has in effect a labor peace agreement
2 covering each licensed establishment as provided in section 4 of this
3 act; or

4 (iii) Require a person or interest holder to be a resident of
5 this state or require a business or nonprofit entity to be formed
6 under the laws of this state for the person or entity to qualify for
7 a marijuana producer, processor, or retailer license, if the person
8 or entity has in effect a labor peace agreement covering each
9 licensed establishment as provided in section 4 of this act.

10 (b) This subsection (3) does not limit the application of RCW
11 69.50.345(2).

12 NEW SECTION. Sec. 4. A new section is added to chapter 69.50
13 RCW to read as follows:

14 (1) In accordance with RCW 69.50.331, 69.50.325, and 69.50.342, a
15 licensed marijuana producer, processor, or retailer or an applicant
16 for such a license, shall submit to the board an attestation signed
17 by a bona fide labor organization stating the licensee or applicant
18 has entered into a labor peace agreement with the bona fide labor
19 organization, if the licensee or applicant:

20 (a) Is not formed under the laws of this state or not all
21 interest holders have lawfully resided in the state for longer than
22 six months before applying for the license;

23 (b) Is an applicant for a marijuana retailer license who, if the
24 license is issued, would hold more than a collective total of five
25 marijuana retailer licenses as provided in RCW 69.50.325(3); or

26 (c) Is an applicant for a marijuana producer and/or processor
27 license who, if the license is issued, would collectively hold more
28 marijuana producer and/or processor licenses than any limit otherwise
29 applicable that the board may establish through rule as provided in
30 RCW 69.50.325 and 69.50.342(3).

31 (2) The board may issue a conditional license to an applicant who
32 has not fully complied with this section, provided that compliance
33 with this section is required for an applicant to receive final
34 license approval, and an applicant must meet all other license
35 requirements established in this chapter.

36 (3) For an applicant or licensee relying on the authorization in
37 this section:

1 (a) The submission of the attestation and the maintenance of a
2 labor peace agreement with a bona fide labor organization is an
3 ongoing material condition of the establishment's license; and

4 (b) In accordance with RCW 69.50.331, the board shall suspend,
5 cancel, or revoke the license of an establishment for which the board
6 determines there is no longer a labor peace agreement in effect.

7 (4) Failure to enter, or to make a good faith effort to enter,
8 into a collective bargaining agreement within one hundred fifty days
9 of the opening of a licensed marijuana establishment relying on the
10 authorization in this section shall result in the suspension or
11 revocation of the establishment's license.

12 **Sec. 5.** RCW 69.50.101 and 2018 c 132 s 2 are each reenacted and
13 amended to read as follows:

14 The definitions in this section apply throughout this chapter
15 unless the context clearly requires otherwise.

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

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

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

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

27 (c) "CBD concentration" has the meaning provided in RCW
28 69.51A.010.

29 (d) "CBD product" means any product containing or consisting of
30 cannabidiol.

31 (e) "Commission" means the pharmacy quality assurance commission.

32 (f) "Controlled substance" means a drug, substance, or immediate
33 precursor included in Schedules I through V as set forth in federal
34 or state laws, or federal or commission rules, but does not include
35 industrial hemp as defined in RCW 15.120.010.

36 (g)(1) "Controlled substance analog" means a substance the
37 chemical structure of which is substantially similar to the chemical
38 structure of a controlled substance in Schedule I or II and:

1 (i) that has a stimulant, depressant, or hallucinogenic effect on
2 the central nervous system substantially similar to the stimulant,
3 depressant, or hallucinogenic effect on the central nervous system of
4 a controlled substance included in Schedule I or II; or

5 (ii) with respect to a particular individual, that the individual
6 represents or intends to have a stimulant, depressant, or
7 hallucinogenic effect on the central nervous system substantially
8 similar to the stimulant, depressant, or hallucinogenic effect on the
9 central nervous system of a controlled substance included in Schedule
10 I or II.

11 (2) The term does not include:

12 (i) a controlled substance;

13 (ii) a substance for which there is an approved new drug
14 application;

15 (iii) a substance with respect to which an exemption is in effect
16 for investigational use by a particular person under Section 505 of
17 the federal food, drug, and cosmetic act, 21 U.S.C. Sec. 355, or
18 chapter 69.77 RCW to the extent conduct with respect to the substance
19 is pursuant to the exemption; or

20 (iv) any substance to the extent not intended for human
21 consumption before an exemption takes effect with respect to the
22 substance.

23 (h) "Deliver" or "delivery" means the actual or constructive
24 transfer from one person to another of a substance, whether or not
25 there is an agency relationship.

26 (i) "Department" means the department of health.

27 (j) "Designated provider" has the meaning provided in RCW
28 69.51A.010.

29 (k) "Dispense" means the interpretation of a prescription or
30 order for a controlled substance and, pursuant to that prescription
31 or order, the proper selection, measuring, compounding, labeling, or
32 packaging necessary to prepare that prescription or order for
33 delivery.

34 (l) "Dispenser" means a practitioner who dispenses.

35 (m) "Distribute" means to deliver other than by administering or
36 dispensing a controlled substance.

37 (n) "Distributor" means a person who distributes.

38 (o) "Drug" means (1) a controlled substance recognized as a drug
39 in the official United States pharmacopoeia/national formulary or the
40 official homeopathic pharmacopoeia of the United States, or any

1 supplement to them; (2) controlled substances intended for use in the
2 diagnosis, cure, mitigation, treatment, or prevention of disease in
3 individuals or animals; (3) controlled substances (other than food)
4 intended to affect the structure or any function of the body of
5 individuals or animals; and (4) controlled substances intended for
6 use as a component of any article specified in (1), (2), or (3) of
7 this subsection. The term does not include devices or their
8 components, parts, or accessories.

9 (p) "Drug enforcement administration" means the drug enforcement
10 administration in the United States Department of Justice, or its
11 successor agency.

12 (q) "Electronic communication of prescription information" means
13 the transmission of a prescription or refill authorization for a drug
14 of a practitioner using computer systems. The term does not include a
15 prescription or refill authorization verbally transmitted by
16 telephone nor a facsimile manually signed by the practitioner.

17 (r) "Immature plant or clone" means a plant or clone that has no
18 flowers, is less than twelve inches in height, and is less than
19 twelve inches in diameter.

20 (s) "Immediate precursor" means a substance:

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

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

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

28 (t) "Isomer" means an optical isomer, but in subsection (ff)(5)
29 of this section, RCW 69.50.204(a) (12) and (34), and 69.50.206(b)(4),
30 the term includes any geometrical isomer; in RCW 69.50.204(a) (8) and
31 (42), and 69.50.210(c) the term includes any positional isomer; and
32 in RCW 69.50.204(a) (35), 69.50.204(c), and 69.50.208(a) the term
33 includes any positional or geometric isomer.

34 (u) "Lot" means a definite quantity of marijuana, marijuana
35 concentrates, useable marijuana, or marijuana-infused product
36 identified by a lot number, every portion or package of which is
37 uniform within recognized tolerances for the factors that appear in
38 the labeling.

39 (v) "Lot number" must identify the licensee by business or trade
40 name and Washington state unified business identifier number, and the

1 date of harvest or processing for each lot of marijuana, marijuana
2 concentrates, useable marijuana, or marijuana-infused product.

3 (w) "Manufacture" means the production, preparation, propagation,
4 compounding, conversion, or processing of a controlled substance,
5 either directly or indirectly or by extraction from substances of
6 natural origin, or independently by means of chemical synthesis, or
7 by a combination of extraction and chemical synthesis, and includes
8 any packaging or repackaging of the substance or labeling or
9 relabeling of its container. The term does not include the
10 preparation, compounding, packaging, repackaging, labeling, or
11 relabeling of a controlled substance:

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

15 (2) by a practitioner, or by the practitioner's authorized agent
16 under the practitioner's supervision, for the purpose of, or as an
17 incident to, research, teaching, or chemical analysis and not for
18 sale.

19 (x) "Marijuana" or "marihuana" means all parts of the plant
20 *Cannabis*, whether growing or not, with a THC concentration greater
21 than 0.3 percent on a dry weight basis; the seeds thereof; the resin
22 extracted from any part of the plant; and every compound,
23 manufacture, salt, derivative, mixture, or preparation of the plant,
24 its seeds or resin. The term does not include:

25 (1) The mature stalks of the plant, fiber produced from the
26 stalks, oil or cake made from the seeds of the plant, any other
27 compound, manufacture, salt, derivative, mixture, or preparation of
28 the mature stalks (except the resin extracted therefrom), fiber, oil,
29 or cake, or the sterilized seed of the plant which is incapable of
30 germination; or

31 (2) Industrial hemp as defined in RCW 15.120.010.

32 (y) "Marijuana concentrates" means products consisting wholly or
33 in part of the resin extracted from any part of the plant *Cannabis*
34 and having a THC concentration greater than ten percent.

35 (z) "Marijuana processor" means a person licensed by the ((state
36 ~~liquor and cannabis~~) board to process marijuana into marijuana
37 concentrates, useable marijuana, and marijuana-infused products,
38 package and label marijuana concentrates, useable marijuana, and
39 marijuana-infused products for sale in retail outlets, and sell

1 marijuana concentrates, useable marijuana, and marijuana-infused
2 products at wholesale to marijuana retailers.

3 (aa) "Marijuana producer" means a person licensed by the ((state
4 ~~liquor and cannabis~~)) board to produce and sell marijuana at
5 wholesale to marijuana processors and other marijuana producers.

6 (bb) "Marijuana products" means useable marijuana, marijuana
7 concentrates, and marijuana-infused products as defined in this
8 section.

9 (cc) "Marijuana researcher" means a person licensed by the
10 ((state liquor and cannabis)) board to produce, process, and possess
11 marijuana for the purposes of conducting research on marijuana and
12 marijuana-derived drug products.

13 (dd) "Marijuana retailer" means a person licensed by the ((state
14 ~~liquor and cannabis~~)) board to sell marijuana concentrates, useable
15 marijuana, and marijuana-infused products in a retail outlet.

16 (ee) "Marijuana-infused products" means products that contain
17 marijuana or marijuana extracts, are intended for human use, are
18 derived from marijuana as defined in subsection (x) of this section,
19 and have a THC concentration no greater than ten percent. The term
20 "marijuana-infused products" does not include either useable
21 marijuana or marijuana concentrates.

22 (ff) "Narcotic drug" means any of the following, whether produced
23 directly or indirectly by extraction from substances of vegetable
24 origin, or independently by means of chemical synthesis, or by a
25 combination of extraction and chemical synthesis:

26 (1) Opium, opium derivative, and any derivative of opium or opium
27 derivative, including their salts, isomers, and salts of isomers,
28 whenever the existence of the salts, isomers, and salts of isomers is
29 possible within the specific chemical designation. The term does not
30 include the isoquinoline alkaloids of opium.

31 (2) Synthetic opiate and any derivative of synthetic opiate,
32 including their isomers, esters, ethers, salts, and salts of isomers,
33 esters, and ethers, whenever the existence of the isomers, esters,
34 ethers, and salts is possible within the specific chemical
35 designation.

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

37 (4) Coca leaves, except coca leaves and extracts of coca leaves
38 from which cocaine, ecgonine, and derivatives or ecgonine or their
39 salts have been removed.

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

1 (6) Cocaine base.

2 (7) Ecgonine, or any derivative, salt, isomer, or salt of isomer
3 thereof.

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

6 (gg) "Opiate" means any substance having an addiction-forming or
7 addiction-sustaining liability similar to morphine or being capable
8 of conversion into a drug having addiction-forming or addiction-
9 sustaining liability. The term includes opium, substances derived
10 from opium (opium derivatives), and synthetic opiates. The term does
11 not include, unless specifically designated as controlled under RCW
12 69.50.201, the dextrorotatory isomer of 3-methoxy-n-methylmorphinan
13 and its salts (dextromethorphan). The term includes the racemic and
14 levorotatory forms of dextromethorphan.

15 (hh) "Opium poppy" means the plant of the species *Papaver*
16 *somniferum* L., except its seeds.

17 (ii) "Person" means individual, corporation, business trust,
18 estate, trust, partnership, association, joint venture, government,
19 governmental subdivision or agency, or any other legal or commercial
20 entity.

21 (jj) "Plant" has the meaning provided in RCW 69.51A.010.

22 (kk) "Poppy straw" means all parts, except the seeds, of the
23 opium poppy, after mowing.

24 (ll) "Practitioner" means:

25 (1) A physician under chapter 18.71 RCW; a physician assistant
26 under chapter 18.71A RCW; an osteopathic physician and surgeon under
27 chapter 18.57 RCW; an osteopathic physician assistant under chapter
28 18.57A RCW who is licensed under RCW 18.57A.020 subject to any
29 limitations in RCW 18.57A.040; an optometrist licensed under chapter
30 18.53 RCW who is certified by the optometry board under RCW 18.53.010
31 subject to any limitations in RCW 18.53.010; a dentist under chapter
32 18.32 RCW; a podiatric physician and surgeon under chapter 18.22 RCW;
33 a veterinarian under chapter 18.92 RCW; a registered nurse, advanced
34 registered nurse practitioner, or licensed practical nurse under
35 chapter 18.79 RCW; a naturopathic physician under chapter 18.36A RCW
36 who is licensed under RCW 18.36A.030 subject to any limitations in
37 RCW 18.36A.040; a pharmacist under chapter 18.64 RCW or a scientific
38 investigator under this chapter, licensed, registered or otherwise
39 permitted insofar as is consistent with those licensing laws to
40 distribute, dispense, conduct research with respect to or administer

1 a controlled substance in the course of their professional practice
2 or research in this state.

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

7 (3) A physician licensed to practice medicine and surgery, a
8 physician licensed to practice osteopathic medicine and surgery, a
9 dentist licensed to practice dentistry, a podiatric physician and
10 surgeon licensed to practice podiatric medicine and surgery, a
11 licensed physician assistant or a licensed osteopathic physician
12 assistant specifically approved to prescribe controlled substances by
13 his or her state's medical quality assurance commission or equivalent
14 and his or her supervising physician, an advanced registered nurse
15 practitioner licensed to prescribe controlled substances, or a
16 veterinarian licensed to practice veterinary medicine in any state of
17 the United States.

18 (mm) "Prescription" means an order for controlled substances
19 issued by a practitioner duly authorized by law or rule in the state
20 of Washington to prescribe controlled substances within the scope of
21 his or her professional practice for a legitimate medical purpose.

22 (nn) "Production" includes the manufacturing, planting,
23 cultivating, growing, or harvesting of a controlled substance.

24 (oo) "Qualifying patient" has the meaning provided in RCW
25 69.51A.010.

26 (pp) "Recognition card" has the meaning provided in RCW
27 69.51A.010.

28 (qq) "Retail outlet" means a location licensed by the ((state
29 ~~liquor and cannabis~~) board for the retail sale of marijuana
30 concentrates, useable marijuana, and marijuana-infused products.

31 (rr) "Secretary" means the secretary of health or the secretary's
32 designee.

33 (ss) "State," unless the context otherwise requires, means a
34 state of the United States, the District of Columbia, the
35 Commonwealth of Puerto Rico, or a territory or insular possession
36 subject to the jurisdiction of the United States.

37 (tt) "THC concentration" means percent of delta-9
38 tetrahydrocannabinol content per dry weight of any part of the plant
39 *Cannabis*, or per volume or weight of marijuana product, or the
40 combined percent of delta-9 tetrahydrocannabinol and

1 tetrahydrocannabinolic acid in any part of the plant *Cannabis*
2 regardless of moisture content.

3 (uu) "Ultimate user" means an individual who lawfully possesses a
4 controlled substance for the individual's own use or for the use of a
5 member of the individual's household or for administering to an
6 animal owned by the individual or by a member of the individual's
7 household.

8 (vv) "Useable marijuana" means dried marijuana flowers. The term
9 "useable marijuana" does not include either marijuana-infused
10 products or marijuana concentrates.

11 (ww) "Board" means the Washington state liquor and cannabis
12 board.

13 (xx) "Labor peace agreement" means an agreement between an
14 employer and a bona fide labor organization in which the employer
15 agrees to remain neutral or to assist the bona fide labor
16 organization in unionizing the employer's employees or otherwise
17 agrees to work with or provide information to the bona fide labor
18 organization for the purpose of unionizing employees.

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