

HB 1668 - H COMM AMD

By Committee on Commerce & Gaming

1 On page 20, after line 11, insert the following:

2 "Sec. 8. RCW 69.50.375 and 2015 c 70 s 10 are each amended to
3 read as follows:

4 (1) A medical marijuana endorsement to a marijuana retail license
5 is hereby established to permit a marijuana retailer to sell
6 marijuana for medical use to qualifying patients and designated
7 providers. This endorsement also permits such retailers to provide
8 marijuana at no charge, at their discretion, to qualifying patients
9 and designated providers.

10 (2) An applicant may apply for a medical marijuana endorsement
11 concurrently with an application for a marijuana retail license.

12 (3) To be issued an endorsement, a marijuana retailer must:

13 (a) Not authorize the medical use of marijuana for qualifying
14 patients at the retail outlet or permit health care professionals to
15 authorize the medical use of marijuana for qualifying patients at the
16 retail outlet;

17 (b) Carry marijuana concentrates and marijuana-infused products
18 identified by the department under subsection (4) of this section;

19 (c) Not use labels or market marijuana concentrates, useable
20 marijuana, or marijuana-infused products in a way that make them
21 intentionally attractive to minors;

22 (d) Demonstrate the ability to enter qualifying patients and
23 designated providers in the medical marijuana authorization database
24 established in RCW 69.51A.230 and issue recognition cards and agree
25 to enter qualifying patients and designated providers into the
26 database and issue recognition cards in compliance with department
27 standards;

28 (e) Keep copies of the qualifying patient's or designated
29 provider's recognition card, or keep equivalent records as required
30 by rule of the state liquor and cannabis board or the department of
31 revenue to document the validity of tax exempt sales; and

1 (f) Meet other requirements as adopted by rule of the department
2 or the state liquor and cannabis board.

3 (4) ((The)) Subject to subsection (5) of this section, the
4 department, in conjunction with the state liquor and cannabis board,
5 must adopt rules on requirements for marijuana concentrates, useable
6 marijuana, and marijuana-infused products that may be sold, or
7 provided at no charge, to qualifying patients or designated providers
8 at a retail outlet holding a medical marijuana endorsement. These
9 rules must include:

10 (a) THC concentration, CBD concentration, or low THC, high CBD
11 ratios appropriate for marijuana concentrates, useable marijuana, or
12 marijuana-infused products sold to qualifying patients or designated
13 providers;

14 (b) Labeling requirements including that the labels attached to
15 marijuana concentrates, useable marijuana, or marijuana-infused
16 products contain THC concentration, CBD concentration, and THC to CBD
17 ratios;

18 (c) Other product requirements, including any additional mold,
19 fungus, or pesticide testing requirements, or limitations to the
20 types of solvents that may be used in marijuana processing that the
21 department deems necessary to address the medical needs of qualifying
22 patients;

23 (d) Safe handling requirements for marijuana concentrates,
24 useable marijuana, or marijuana-infused products; and

25 (e) Training requirements for employees.

26 (5) Artificial cannabinoids and synthetically derived
27 cannabinoids are prohibited in the marijuana concentrates, useable
28 marijuana, and marijuana-infused products that may be approved,
29 labeled, or represented as complying with requirements adopted by the
30 department under subsection (4) of this section.

31 (6) A marijuana retailer holding an endorsement to sell marijuana
32 to qualifying patients or designated providers must train its
33 employees on:

34 (a) Procedures regarding the recognition of valid authorizations
35 and the use of equipment to enter qualifying patients and designated
36 providers into the medical marijuana authorization database;

37 (b) Recognition of valid recognition cards; and

38 (c) Recognition of strains, varieties, THC concentration, CBD
39 concentration, and THC to CBD ratios of marijuana concentrates,
40 useable marijuana, and marijuana-infused products, available for sale

1 when assisting qualifying patients and designated providers at the
2 retail outlet.

3 **Sec. 9.** RCW 82.08.9998 and 2019 c 393 s 4 are each amended to
4 read as follows:

5 (1) The tax levied by RCW 82.08.020 does not apply to:

6 (a) Sales of marijuana concentrates, useable marijuana, or
7 marijuana-infused products, that do not contain any artificial
8 cannabinoids as defined in RCW 69.50.101 or synthetically derived
9 cannabinoids as defined in RCW 69.50.101 and that are identified by
10 the department of health in rules adopted under RCW 69.50.375(4) in
11 chapter 246-70 WAC as being a compliant marijuana product, by
12 marijuana retailers with medical marijuana endorsements to qualifying
13 patients or designated providers who have been issued recognition
14 cards;

15 (b) Sales of products containing THC with a THC concentration of
16 0.3 percent or less to qualifying patients or designated providers
17 who have been issued recognition cards by marijuana retailers with
18 medical marijuana endorsements;

19 (c) Sales of marijuana concentrates, useable marijuana, or
20 marijuana-infused products, identified by the department of health
21 under RCW 69.50.375 to have a low THC, high CBD ratio, and to be
22 beneficial for medical use, by marijuana retailers with medical
23 marijuana endorsements, to any person;

24 (d) Sales of topical, noningestible products containing THC with
25 a THC concentration of 0.3 percent or less by health care
26 professionals under RCW 69.51A.280;

27 (e)(i) Marijuana, marijuana concentrates, useable marijuana,
28 marijuana-infused products, or products containing THC with a THC
29 concentration of 0.3 percent or less produced by a cooperative and
30 provided to its members; and

31 (ii) Any nonmonetary resources and labor contributed by an
32 individual member of the cooperative in which the individual is a
33 member. However, nothing in this subsection (1)(e) may be construed
34 to exempt the individual members of a cooperative from the tax
35 imposed in RCW 82.08.020 on any purchase of property or services
36 contributed to the cooperative.

37 (2) Each seller making exempt sales under subsection (1) of this
38 section must maintain information establishing eligibility for the
39 exemption in the form and manner required by the department.

1 (3) The department must provide a separate tax reporting line for
2 exemption amounts claimed under this section.

3 (4) The definitions in this subsection apply throughout this
4 section unless the context clearly requires otherwise.

5 (a) "Cooperative" means a cooperative authorized by and operating
6 in compliance with RCW 69.51A.250.

7 (b) "Marijuana retailer with a medical marijuana endorsement"
8 means a marijuana retailer permitted under RCW 69.50.375 to sell
9 marijuana for medical use to qualifying patients and designated
10 providers.

11 (c) "Products containing THC with a THC concentration of 0.3
12 percent or less" means all products containing THC with a THC
13 concentration not exceeding 0.3 percent and that, when used as
14 intended, are inhalable, ingestible, or absorbable.

15 (d) "THC concentration," "marijuana," "marijuana concentrates,"
16 "useable marijuana," "marijuana retailer," and "marijuana-infused
17 products" have the same meanings as provided in RCW 69.50.101 and the
18 terms "qualifying patients," "designated providers," and "recognition
19 card" have the same meaning as provided in RCW 69.51A.010.

20 **Sec. 10.** RCW 82.12.9998 and 2019 c 393 s 5 are each amended to
21 read as follows:

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

23 (a) The use of marijuana concentrates, useable marijuana, or
24 marijuana-infused products, that do not contain any artificial
25 cannabinoids as defined in RCW 69.50.101 or synthetically derived
26 cannabinoids as defined in RCW 69.50.101 and that are identified by
27 the department of health in rules adopted under RCW 69.50.375(4) in
28 chapter 246-70 WAC as being a compliant marijuana product, by
29 qualifying patients or designated providers who have been issued
30 recognition cards and have obtained such products from a marijuana
31 retailer with a medical marijuana endorsement.

32 (b) The use of products containing THC with a THC concentration
33 of 0.3 percent or less by qualifying patients or designated providers
34 who have been issued recognition cards and have obtained such
35 products from a marijuana retailer with a medical marijuana
36 endorsement.

37 (c)(i) Marijuana retailers with a medical marijuana endorsement
38 with respect to:

1 (A) Marijuana concentrates, useable marijuana, or marijuana-
2 infused products; or

3 (B) Products containing THC with a THC concentration of 0.3
4 percent or less;

5 (ii) The exemption in this subsection (1)(c) applies only if such
6 products are provided at no charge to a qualifying patient or
7 designated provider who has been issued a recognition card. Each such
8 retailer providing such products at no charge must maintain
9 information establishing eligibility for this exemption in the form
10 and manner required by the department.

11 (d) The use of marijuana concentrates, useable marijuana, or
12 marijuana-infused products, identified by the department of health
13 under RCW 69.50.375 to have a low THC, high CBD ratio, and to be
14 beneficial for medical use, purchased from marijuana retailers with a
15 medical marijuana endorsement.

16 (e) Health care professionals with respect to the use of products
17 containing THC with a THC concentration of 0.3 percent or less
18 provided at no charge by the health care professionals under RCW
19 69.51A.280. Each health care professional providing such products at
20 no charge must maintain information establishing eligibility for this
21 exemption in the form and manner required by the department.

22 (f) The use of topical, noningestible products containing THC
23 with a THC concentration of 0.3 percent or less by qualifying
24 patients when purchased from or provided at no charge by a health
25 care professional under RCW 69.51A.280.

26 (g) The use of:

27 (i) Marijuana, marijuana concentrates, useable marijuana,
28 marijuana-infused products, or products containing THC with a THC
29 concentration of 0.3 percent or less, by a cooperative and its
30 members, when produced by the cooperative; and

31 (ii) Any nonmonetary resources and labor by a cooperative when
32 contributed by its members. However, nothing in this subsection
33 (1)(g) may be construed to exempt the individual members of a
34 cooperative from the tax imposed in RCW 82.12.020 on the use of any
35 property or services purchased by the member and contributed to the
36 cooperative.

37 (2) The definitions in RCW 82.08.9998 apply to this section."

38 Renumber the remaining section consecutively, correct any
39 internal references accordingly, and correct the title.

EFFECT: (1) Specifies that artificial cannabinoids and synthetically derived cannabinoids are prohibited in the marijuana products that may be approved, labeled, or represented as complying with the additional product requirements adopted by the department of health for marijuana products sold or provided to qualifying patients and designated providers by retailers with a medical marijuana endorsement.

(2) Limits the retail sales and use tax exemption for qualifying patients and designated providers purchasing marijuana products so the tax exemption applies only when the marijuana products do not contain any artificial cannabinoids or synthetically derived cannabinoids.

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