

Effect:

- Adds "hexahydrocannabinol" to the listed examples contained in the definition of "cannabinoid";
- Replaces "may be impairing" with "generally considered or marketed as impairing" in relation to a cannabinoid throughout the bill;
- Removes the definition of "impairing" in relation to a cannabinoid;
- Allows the sale of products: (1) Containing cannabinoids that are generally considered or marketed as impairing; (2) containing greater than 0.3% tetrahydrocannabinol (THC); or (3) containing 0.5 or more milligrams (mg) per serving or two or more mg. total in the packaged product, if the product contains a cannabidiol (CBD) to THC ratio of 20:1 (i.e., there must be 20 times as much CBD than THC in the product);
- Requires the Washington State University Center for Cannabis Policy, Research, and Outreach and LCB to convene a scientific panel (Panel) consisting of members with scientific expertise in a number of concentrations and representatives from the Department of Health, Department of Agriculture, and LCB. The Panel must review information in other jurisdictions relative to cannabinoids and report to the Legislature by December 1, 2023;
- Establishes an LCB advisory committee to review issues and topics of interest regarding regulating cannabinoids, which must be composed of, at minimum, cannabis licensees, industry associations, public health professionals, and representatives from other relevant state agencies;
- Includes businesses classified as "gasoline stations with convenience stores" as described in the North American Industry Classification System in the list of businesses exempt from the temporary surcharge;
- Changes the term "marijuana" to "cannabis" in the new bill language; and
- Modifies the title and intent language.

1 AN ACT Relating to protecting consumers by expanding agency
2 regulatory authority over unregulated cannabinoids; amending RCW
3 69.50.325, 69.50.326, 69.50.342, 69.50.363, 69.50.455, 69.50.375,
4 82.08.9998, 82.12.9998, 70.345.050, 82.24.510, 82.24.530, and
5 82.26.170; reenacting and amending RCW 69.50.101; adding new sections
6 to chapter 69.50 RCW; creating a new section; providing an effective
7 date; and providing expiration dates.

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

9 NEW SECTION. **Sec. 1.** Due to the evolving nature of new
10 cannabinoids being identified in the plant *Cannabis* that are
11 generally considered to be or marketed as impairing, the legislature
12 finds there is a need to provide consumers legal access to products
13 that have been tested and which meet the same standards for quality
14 and safety as delta-9 tetrahydrocannabinol. The legislature further
15 finds there is a need to require labeling, serving size, potency, and
16 ingredient disclosure standards for any impairing cannabinoid
17 product. The legislature further finds there is a need to distinguish
18 cannabinoids derived from natural plants that are prepared for human
19 consumption and the more unpredictable artificial cannabinoids
20 created solely through chemical reactions. The legislature further
21 recognizes the need to maintain clarity between plants defined as

1 cannabis and plants defined as hemp. The primary purpose of this act
2 is to authorize the liquor and cannabis board to regulate all
3 cannabinoids that are generally considered to be or marketed as
4 impairing, regardless of origin, and to direct the board to adopt
5 rules related to cannabinoid products and *Cannabis* isolates, except
6 those authorized as a drug by the federal food and drug
7 administration.

8 **Sec. 2.** RCW 69.50.101 and 2020 c 133 s 2 and 2020 c 80 s 43 are
9 each reenacted and amended to read as follows:

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

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

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

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

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

23 (c) "Artificial cannabinoid" means a solely chemically created
24 substance that does not originate from the plant *Cannabis* but is
25 structurally the same or substantially similar to the molecular
26 structure of any substance derived from the plant *Cannabis* that may
27 be a cannabinoid receptor agonist and includes, but is not limited
28 to, any material, compound, mixture, or preparation that is not
29 listed as a controlled substance in Schedules I through V of the
30 Washington state controlled substances act. Artificial cannabinoids
31 do not include:

32 (1) A naturally occurring chemical substance that is separated
33 from the plant *Cannabis* by a chemical or mechanical extraction
34 process;

35 (2) Cannabinoids that are produced by decarboxylation from a
36 naturally occurring cannabinoid acid without the use of a chemical
37 catalyst; or

1 (3) Any other chemical substance resembling in any manner a
2 compound found in the plant Cannabis that is identified by the board
3 in consultation with the department, by rule.

4 (d) "Board" means the Washington state liquor and cannabis board.

5 ~~((d))~~ (e) "Cannabinoid" means any of the chemical compounds
6 that are the active constituents of the plant Cannabis and their
7 acids including, but not limited to, tetrahydrocannabinol,
8 tetrahydrocannabinolic acid, cannabidiol, cannabidiolic acid,
9 cannabinol, cannabigerol, cannabichromene, cannabicyclol,
10 cannabivarin, tetrahydrocannabivarin, cannabidivarin,
11 cannabichromevarin, cannabigerovarin, cannabigerol monomethyl ether,
12 cannabielsoin, cannabicitran, and hexahydrocannabinol. Cannabinoids
13 do not include artificial cannabinoids.

14 (f) "Catalyst" means a substance that increases the rate of a
15 chemical reaction without itself undergoing any permanent chemical
16 change.

17 (g) "CBD concentration" has the meaning provided in RCW
18 69.51A.010.

19 ~~((e))~~ (h) "CBD product" means any product containing or
20 consisting of cannabidiol that does not exceed 0.3 percent THC on a
21 dry weight basis and that does not contain more than 0.5 milligrams
22 per serving or two milligrams total in the packaged product of a
23 cannabinoid that is generally considered to be or marketed as
24 impairing.

25 ~~((f))~~ (i) "Commission" means the pharmacy quality assurance
26 commission.

27 ~~((g))~~ (j) "Controlled substance" means a drug, substance, or
28 immediate precursor included in Schedules I through V as set forth in
29 federal or state laws, or federal or commission rules, but does not
30 include hemp or industrial hemp as defined in RCW 15.140.020.

31 ~~((h))~~ (k) (1) "Controlled substance analog" means a substance
32 the chemical structure of which is substantially similar to the
33 chemical structure of a controlled substance in Schedule I or II and:

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

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

1 similar to the stimulant, depressant, or hallucinogenic effect on the
2 central nervous system of a controlled substance included in Schedule
3 I or II.

4 (2) The term does not include:

5 (i) a controlled substance;

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

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

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

16 (~~(i)~~) (l) "Deliver" or "delivery" means the actual or
17 constructive transfer from one person to another of a substance,
18 whether or not there is an agency relationship.

19 (~~(j)~~) (m) "Department" means the department of health.

20 (~~(k)~~) (n) "Designated provider" has the meaning provided in RCW
21 69.51A.010.

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

27 (~~(m)~~) (p) "Dispenser" means a practitioner who dispenses.

28 (~~(n)~~) (q) "Distillate" means an extract from the plant Cannabis
29 where a segment of one or more cannabinoids from an initial
30 extraction are selectively concentrated through a mechanical or
31 chemical process, or both, with all impurities removed.

32 (r) "Distribute" means to deliver other than by administering or
33 dispensing a controlled substance.

34 (~~(o)~~) (s) "Distributor" means a person who distributes.

35 (~~(p)~~) (t) "Drug" means (1) a controlled substance recognized as
36 a drug in the official United States pharmacopoeia/national formulary
37 or the official homeopathic pharmacopoeia of the United States, or
38 any supplement to them; (2) controlled substances intended for use in
39 the diagnosis, cure, mitigation, treatment, or prevention of disease
40 in individuals or animals; (3) controlled substances (other than

1 food) intended to affect the structure or any function of the body of
2 individuals or animals; and (4) controlled substances intended for
3 use as a component of any article specified in (1), (2), or (3) of
4 this subsection. The term does not include devices or their
5 components, parts, or accessories.

6 ~~((g))~~ (u) "Drug enforcement administration" means the drug
7 enforcement administration in the United States Department of
8 Justice, or its successor agency.

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

15 ~~((s))~~ (w) "Extract" means a solid, viscid, or liquid substance
16 extracted from a plant, or the like, containing its essence in
17 concentrated or isolated form.

18 (x) "Extraction" means the process to separate or obtain a solid,
19 viscid, or liquid substance from a plant or parts of a plant, by
20 pressure, distillation, treatment with solvents, or the like.

21 (y) "Immature plant or clone" means a plant or clone that has no
22 flowers, is less than twelve inches in height, and is less than
23 twelve inches in diameter.

24 ~~((t))~~ (z) "Immediate precursor" means a substance:

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

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

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

32 ~~((u))~~ (aa) "Isolate" means extract from the plant Cannabis of
33 95 percent or more of a single cannabinoid compound.

34 (bb) "Isomer" means an optical isomer, but in subsection ~~((gg))~~
35 (nn) (5) of this section, RCW 69.50.204(a) (12) and (34), and
36 69.50.206(b) (4), the term includes any geometrical isomer; in RCW
37 69.50.204(a) (8) and (42), and 69.50.210(c) the term includes any
38 positional isomer; and in RCW 69.50.204(a) (35), 69.50.204(c), and
39 69.50.208(a) the term includes any positional or geometric isomer.

1 ~~((v))~~ (cc) "Lot" means a definite quantity of marijuana,
2 marijuana concentrates, useable marijuana, or marijuana-infused
3 product identified by a lot number, every portion or package of which
4 is uniform within recognized tolerances for the factors that appear
5 in the labeling.

6 ~~((w))~~ (dd) "Lot number" must identify the licensee by business
7 or trade name and Washington state unified business identifier
8 number, and the date of harvest or processing for each lot of
9 marijuana, marijuana concentrates, useable marijuana, or marijuana-
10 infused product.

11 ~~((x))~~ (ee) "Manufacture" means the production, preparation,
12 propagation, compounding, conversion, or processing of a controlled
13 substance, either directly or indirectly or by extraction from
14 substances of natural origin, or independently by means of chemical
15 synthesis, or by a combination of extraction and chemical synthesis,
16 and includes any packaging or repackaging of the substance or
17 labeling or relabeling of its container. The term does not include
18 the preparation, compounding, packaging, repackaging, labeling, or
19 relabeling of a controlled substance:

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

23 (2) by a practitioner, or by the practitioner's authorized agent
24 under the practitioner's supervision, for the purpose of, or as an
25 incident to, research, teaching, or chemical analysis and not for
26 sale.

27 ~~((y))~~ (ff) "Marijuana" or "marihuana" means all parts of the
28 plant *Cannabis*~~((, whether growing or not,))~~ with a ~~((THC))~~
29 tetrahydrocannabinol concentration ~~((greater))~~ of more than 0.3
30 percent on a dry weight basis, whether growing or not; the seeds
31 thereof; the resin extracted from any part of the plant, including
32 concentrated resins, cannabinoids, and the products thereof; and
33 every compound, manufacture, salt, derivative, mixture, or
34 preparation of the plant, its seeds or resin. The term does not
35 include:

36 (1) The mature stalks of the plant, fiber produced from the
37 stalks, oil or cake made from the seeds of the plant, any other
38 compound, manufacture, salt, derivative, mixture, or preparation of
39 the mature stalks (except the resin extracted therefrom), fiber, oil,

1 or cake, or the sterilized seed of the plant which is incapable of
2 germination; or

3 (2) Hemp or industrial hemp as defined in RCW 15.140.020(~~(r)~~) or
4 seeds used for licensed hemp production under chapter 15.140 RCW,
5 unless the tetrahydrocannabinol concentration is greater than 0.3
6 percent on a dry weight basis.

7 (~~(z)~~) (gg) "Marijuana concentrates" means products consisting
8 wholly or in part of the resin extracted from any part of the plant
9 *Cannabis* (~~(and having a THC concentration)~~) containing greater than
10 ten percent total THC such as, but not limited to, kief, live resin,
11 rosin, hash, or bubble hash.

12 (~~(aa)~~) (hh) "Marijuana processor" means a person licensed by
13 the board to process marijuana of natural origin, grown by a licensed
14 producer, either directly or indirectly or by extraction from the
15 plant Cannabis, unless sourced and used as an additive in accordance
16 with RCW 69.50.326, into marijuana concentrates, useable marijuana,
17 and marijuana-infused products, package and label marijuana
18 concentrates, useable marijuana, and marijuana-infused products for
19 sale in retail outlets, (~~(and)~~) sell marijuana concentrates, useable
20 marijuana, and marijuana-infused products for sale in retail outlets,
21 and sell cannabis concentrates, useable cannabis, and cannabis-
22 infused products at wholesale to marijuana retailers.

23 (~~(bb)~~) (ii) "Marijuana producer" means a person licensed by the
24 board to produce, prepare, and propagate cannabis directly from a
25 natural origin and sell (~~(marijuana)~~) at wholesale to marijuana
26 processors and other marijuana producers.

27 (~~(ee)~~) (jj) "Marijuana products" means useable marijuana,
28 marijuana concentrates, and marijuana-infused products as defined in
29 this section and also includes any product with 0.5 milligrams or
30 more per serving or two milligrams or more per package of a
31 cannabinoid that is generally considered to be or marketed as
32 impairing.

33 (~~(dd)~~) (kk) "Marijuana researcher" means a person licensed by
34 the board to produce, process, and possess marijuana for the purposes
35 of conducting research on marijuana and marijuana-derived drug
36 products.

37 (~~(ee)~~) (ll) "Marijuana retailer" means a person licensed by the
38 board to sell marijuana concentrates, useable marijuana, and
39 marijuana-infused products in a retail outlet.

1 (~~(ff)~~) (mm) "Marijuana-infused products" means products that
2 contain marijuana or marijuana extracts, isolates, or distillates,
3 that are intended for human use, are derived from marijuana as
4 defined in subsection (~~(y)~~) (ff) of this section, and (~~have a THC~~
5 ~~concentration~~) contain no greater than ten percent total THC. The
6 term "marijuana-infused products" does not include either useable
7 marijuana or marijuana concentrates.

8 (~~(gg)~~) (nn) "Narcotic drug" means any of the following, whether
9 produced directly or indirectly by extraction from substances of
10 vegetable origin, or independently by means of chemical synthesis, or
11 by a combination of extraction and chemical synthesis:

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

17 (2) Synthetic opiate and any derivative of synthetic opiate,
18 including their isomers, esters, ethers, salts, and salts of isomers,
19 esters, and ethers, whenever the existence of the isomers, esters,
20 ethers, and salts is possible within the specific chemical
21 designation.

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

23 (4) Coca leaves, except coca leaves and extracts of coca leaves
24 from which cocaine, ecgonine, and derivatives or ecgonine or their
25 salts have been removed.

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

27 (6) Cocaine base.

28 (7) Ecgonine, or any derivative, salt, isomer, or salt of isomer
29 thereof.

30 (8) Any compound, mixture, or preparation containing any quantity
31 of any substance referred to in (1) through (7) of this subsection.

32 (~~(hh)~~) (oo) "Opiate" means any substance having an addiction-
33 forming or addiction-sustaining liability similar to morphine or
34 being capable of conversion into a drug having addiction-forming or
35 addiction-sustaining liability. The term includes opium, substances
36 derived from opium (opium derivatives), and synthetic opiates. The
37 term does not include, unless specifically designated as controlled
38 under RCW 69.50.201, the dextrorotatory isomer of 3-methoxy-n-
39 methylmorphinan and its salts (dextromethorphan). The term includes
40 the racemic and levorotatory forms of dextromethorphan.

1 (~~(ii)~~) (pp) "Opium poppy" means the plant of the species
2 Papaver somniferum L., except its seeds.

3 (~~(jj)~~) (qq) "Person" means individual, corporation, business
4 trust, estate, trust, partnership, association, joint venture,
5 government, governmental subdivision or agency, or any other legal or
6 commercial entity.

7 (~~(kk)~~) (rr) "Plant" has the meaning provided in RCW 69.51A.010.

8 (~~(ll)~~) (ss) "Plant Cannabis" means all plants of the genus
9 Cannabis, including cannabis as defined in this section, and hemp as
10 defined in RCW 15.140.020.

11 (tt) "Poppy straw" means all parts, except the seeds, of the
12 opium poppy, after mowing.

13 (~~(mm)~~) (uu) "Practitioner" means:

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

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

34 (3) A physician licensed to practice medicine and surgery, a
35 physician licensed to practice osteopathic medicine and surgery, a
36 dentist licensed to practice dentistry, a podiatric physician and
37 surgeon licensed to practice podiatric medicine and surgery, a
38 licensed physician assistant or a licensed osteopathic physician
39 assistant specifically approved to prescribe controlled substances by
40 his or her state's medical commission or equivalent and his or her

1 supervising physician, an advanced registered nurse practitioner
2 licensed to prescribe controlled substances, or a veterinarian
3 licensed to practice veterinary medicine in any state of the United
4 States.

5 ~~((nn))~~ (vv) "Prescription" means an order for controlled
6 substances issued by a practitioner duly authorized by law or rule in
7 the state of Washington to prescribe controlled substances within the
8 scope of his or her professional practice for a legitimate medical
9 purpose.

10 ~~((oo))~~ (ww) "Production" includes the manufacturing, planting,
11 cultivating, growing, or harvesting of a controlled substance.

12 ~~((pp))~~ (xx) "Qualifying patient" has the meaning provided in
13 RCW 69.51A.010.

14 ~~((qq))~~ (yy) "Recognition card" has the meaning provided in RCW
15 69.51A.010.

16 ~~((rr))~~ (zz) "Retail outlet" means a location licensed by the
17 board for the retail sale of marijuana concentrates, useable
18 marijuana, and marijuana-infused products.

19 ~~((ss))~~ (aaa) "Secretary" means the secretary of health or the
20 secretary's designee.

21 ~~((tt))~~ (bbb) "State," unless the context otherwise requires,
22 means a state of the United States, the District of Columbia, the
23 Commonwealth of Puerto Rico, or a territory or insular possession
24 subject to the jurisdiction of the United States.

25 ~~((uu))~~ (ccc) "Synthetically derived cannabinoid" means any
26 cannabinoid that is altered by a chemical reaction that changes the
27 molecular structure of any natural cannabinoid derived from the plant
28 Cannabis to another cannabinoid found naturally in the plant
29 Cannabis.

30 (ddd) (1) "Tetrahydrocannabinol" or "THC" includes all
31 tetrahydrocannabinols that are artificially, synthetically, or
32 naturally derived, including but not limited to delta-8
33 tetrahydrocannabinol, delta-9 tetrahydrocannabinol, delta-10
34 tetrahydrocannabinol, THCV tetrahydrocannabivarin, THCP
35 tetrahydrocannabiphorol, THC-O-Acetate, and the optical isomers of
36 THC cannabinoids.

37 (2) Notwithstanding (1) of this subsection, tetrahydrocannabinol
38 includes concentrated resins or cannabinoids, and the products
39 thereof, produced from the plant Cannabis, whether or not the

1 cannabinoids were derived from a cannabis plant containing a THC
2 concentration greater than 0.3 percent on a dry weight basis.

3 (eee) "THC concentration" means percent of ((delta-9))
4 tetrahydrocannabinol content per dry weight of any part of the plant
5 *Cannabis*, or per volume or weight of marijuana product, or the
6 combined percent of ((delta-9)) tetrahydrocannabinol and
7 tetrahydrocannabinolic acid in any part of the plant *Cannabis*
8 regardless of moisture content.

9 ((-vv-)) (fff) "Total THC" means the sum of the percentage, by
10 weight or volume measurement of tetrahydrocannabinolic acid
11 multiplied by 0.877, plus, the percentage by weight or volume
12 measurement of tetrahydrocannabinol.

13 (ggg) "Ultimate user" means an individual who lawfully possesses
14 a controlled substance for the individual's own use or for the use of
15 a member of the individual's household or for administering to an
16 animal owned by the individual or by a member of the individual's
17 household.

18 ((-ww-)) (hhh) "Useable marijuana" means dried marijuana flowers.
19 The term "useable marijuana" does not include either marijuana-
20 infused products or marijuana concentrates.

21 ((-xx-)) (iii) "Youth access" means the level of interest persons
22 under the age of twenty-one may have in a vapor product, as well as
23 the degree to which the product is available or appealing to such
24 persons, and the likelihood of initiation, use, or addiction by
25 adolescents and young adults.

26 NEW SECTION. Sec. 3. A new section is added to chapter 69.50
27 RCW to read as follows:

28 (a) Products containing or consisting of cannabinoids produced
29 and processed for any type of consumption into a human body, whether
30 marketed as such or not, exceeding 0.3 percent THC on a dry weight
31 basis, that contains more than 0.5 milligrams per serving or two
32 milligrams total in the packaged product of a cannabinoid that is
33 generally considered to be impairing, may only be sold by a cannabis
34 producer, cannabis processor, or cannabis retailer licensed by the
35 board unless authorized as a drug by the federal food and drug
36 administration.

37 (b) All products containing cannabinoids described in subsection
38 (a) of this section, or cannabinoid products marketed as having
39 impairing effects, are within the scope of regulatory authority of

1 the board under this chapter, except those authorized as a drug by
2 the federal food and drug administration.

3 (c) Sale of products identified in subsection (a) of this section
4 is prohibited unless conducted by a business holding a valid cannabis
5 producer, cannabis processor, or cannabis retailer license issued by
6 the board.

7 (d) Products meeting any of the criteria identified in this
8 subsection may only be sold if such a sale is in compliance with
9 rules adopted by the board after the board has consulted with the
10 department of health and the department of agriculture. Products
11 subject to this requirement are:

12 (1) Products containing cannabinoids that are generally
13 considered to be or marketed as impairing;

14 (2) Products that contain greater than 0.3 percent THC on a dry
15 weight basis; and

16 (3) Products that contain 0.5 or more milligrams per serving or
17 two or more milligrams total in the packaged product of any
18 cannabinoid that is generally considered to be or marketed as
19 impairing.

20 (e) The requirement provided in subsection (d) of this section
21 does not apply to products containing a cannabidiol to THC ratio of
22 20 to one.

23 (f) Products identified in subsection (d) of this section may not
24 be sold to persons under 21 years of age, except for those in
25 compliance with provisions of chapter 69.51A RCW.

26 (g) The requirement provided in subsection (d) of this section
27 does not apply to delta-9 THC products approved by the board prior to
28 January 1, 2022.

29 (h) Cannabis health and beauty aids compliant with RCW 69.50.575
30 are not subject to the provisions of subsections (a) through (d) of
31 this section.

32 (i) Manufacturing and sales of artificial cannabinoids is
33 prohibited.

34 (j) This section does not apply to unadulterated hemp flower that
35 is not further processed into extracts, infused products, or
36 concentrates.

37 **Sec. 4.** RCW 69.50.325 and 2020 c 236 s 6 are each amended to
38 read as follows:

1 (1) There shall be a marijuana producer's license regulated by
2 the board and subject to annual renewal. The licensee is authorized
3 to produce, prepare, and propagate cannabis grown from seeds or
4 clones of natural origin: (a) Marijuana for sale at wholesale to
5 marijuana processors and other marijuana producers; (b) immature
6 plants or clones and seeds for sale to cooperatives as described
7 under RCW 69.51A.250; and (c) immature plants or clones and seeds for
8 sale to qualifying patients and designated providers as provided
9 under RCW 69.51A.310. The production, possession, delivery,
10 distribution, and sale of marijuana in accordance with the provisions
11 of this chapter and the rules adopted to implement and enforce it, by
12 a validly licensed marijuana producer, shall not be a criminal or
13 civil offense under Washington state law. Every marijuana producer's
14 license shall be issued in the name of the applicant, shall specify
15 the location at which the marijuana producer intends to operate,
16 which must be within the state of Washington, and the holder thereof
17 shall not allow any other person to use the license. The application
18 fee for a marijuana producer's license shall be two hundred fifty
19 dollars. The annual fee for issuance and renewal of a marijuana
20 producer's license shall be one thousand three hundred eighty-one
21 dollars. A separate license shall be required for each location at
22 which a marijuana producer intends to produce marijuana.

23 (2) There shall be a marijuana processor's license to process
24 cannabis, from the plant *Cannabis* of natural origin and grown by a
25 licensed producer, unless sourced and used as an additive in
26 accordance with RCW 69.50.326, and compound or convert cannabis
27 products from cannabis grown by a licensed cannabis producer as
28 specified by the board by rule, and prepare, package, and label
29 marijuana concentrates, useable marijuana, and marijuana-infused
30 products, which contain greater than 0.5 milligrams per serving of a
31 cannabinoid that is generally considered to be or marketed as
32 impairing, for sale at wholesale to marijuana processors and
33 marijuana retailers, regulated by the board and subject to annual
34 renewal. The processing, packaging, possession, delivery,
35 distribution, and sale of marijuana, useable marijuana, marijuana-
36 infused products, and marijuana concentrates in accordance with the
37 provisions of this chapter and chapter 69.51A RCW and the rules
38 adopted to implement and enforce these chapters, by a validly
39 licensed marijuana processor, shall not be a criminal or civil
40 offense under Washington state law. Every marijuana processor's

1 license shall be issued in the name of the applicant, shall specify
2 the location at which the licensee intends to operate, which must be
3 within the state of Washington, and the holder thereof shall not
4 allow any other person to use the license. The application fee for a
5 marijuana processor's license shall be two hundred fifty dollars. The
6 annual fee for issuance and renewal of a marijuana processor's
7 license shall be one thousand three hundred eighty-one dollars. A
8 separate license shall be required for each location at which a
9 marijuana processor intends to process marijuana.

10 (3)(a) There shall be a marijuana retailer's license to sell
11 marijuana concentrates, useable marijuana, and marijuana-infused
12 products, and other products containing greater than 0.5 milligrams
13 per serving of a cannabinoid that is generally considered to be or
14 marketed as impairing at retail in retail outlets, regulated by the
15 board and subject to annual renewal. The possession, delivery,
16 distribution, and sale of marijuana concentrates, useable marijuana,
17 and marijuana-infused products in accordance with the provisions of
18 this chapter and the rules adopted to implement and enforce it, by a
19 validly licensed marijuana retailer, shall not be a criminal or civil
20 offense under Washington state law. Every marijuana retailer's
21 license shall be issued in the name of the applicant, shall specify
22 the location of the retail outlet the licensee intends to operate,
23 which must be within the state of Washington, and the holder thereof
24 shall not allow any other person to use the license. The application
25 fee for a marijuana retailer's license shall be two hundred fifty
26 dollars. The annual fee for issuance and renewal of a marijuana
27 retailer's license shall be one thousand three hundred eighty-one
28 dollars. A separate license shall be required for each location at
29 which a marijuana retailer intends to sell marijuana concentrates,
30 useable marijuana, and marijuana-infused products.

31 (b) An individual retail licensee and all other persons or
32 entities with a financial or other ownership interest in the business
33 operating under the license are limited, in the aggregate, to holding
34 a collective total of not more than five retail marijuana licenses.

35 (c)(i) A marijuana retailer's license is subject to forfeiture in
36 accordance with rules adopted by the board pursuant to this section.

37 (ii) The board shall adopt rules to establish a license
38 forfeiture process for a licensed marijuana retailer that is not
39 fully operational and open to the public within a specified period

1 from the date of license issuance, as established by the board,
2 subject to the following restrictions:

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

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

12 (iii) The board has discretion in adopting rules under this
13 subsection (3)(c).

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

20 (v) The board may not require license forfeiture if the licensee
21 has been incapable of opening a fully operational retail marijuana
22 business due to actions by the city, town, or county with
23 jurisdiction over the licensee that include any of the following:

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

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

31 (d) The board may issue marijuana retailer licenses pursuant to
32 this chapter and RCW 69.50.335.

33 **Sec. 5.** RCW 69.50.326 and 2018 c 132 s 1 are each amended to
34 read as follows:

35 (1) Licensed marijuana producers and licensed marijuana
36 processors may use ((a)) CBD ((~~product~~)), other nonimpairing
37 cannabinoids, or nonimpairing plant Cannabis isolates as ((~~an~~))
38 additives for the purpose of enhancing the ((~~cannabidiol~~))
39 nonimpairing cannabinoid concentration of any product authorized for

1 production, processing, and sale under this chapter. Except as
2 otherwise provided in subsection (2) of this section, such (~~CBD~~
3 ~~product additives~~) cannabinoid products or isolates must be lawfully
4 produced by a licensed cannabis producer, or purchased from(~~(r))~~) a
5 producer or processor licensed under this chapter.

6 (2) Subject to the requirements set forth in (a) (~~and (b)~~)
7 through (d) of this subsection, and for the sole purpose of enhancing
8 the (~~cannabidiol~~) nonimpairing cannabinoid concentration of any
9 product authorized for production, processing, or sale under this
10 chapter, licensed marijuana producers and licensed marijuana
11 processors may use a CBD or other nonimpairing cannabinoid product
12 obtained from a source not licensed under this chapter, provided the
13 CBD or other nonimpairing cannabinoid product:

14 (a) Has a THC level of 0.3 percent or less on a dry weight basis
15 and does not contain greater than 0.5 milligrams per serving of any
16 cannabinoid that is generally considered to be or marketed as
17 impairing; (~~and~~)

18 (b) Has (~~been tested for~~) passed pesticide, heavy metals,
19 contaminants, and toxins testing by a testing laboratory accredited
20 under this chapter and in accordance with testing standards
21 established under this chapter and the applicable administrative
22 rules;

23 (c) Is accompanied by a disclosure statement describing
24 production methods including, but not limited to, solvent use,
25 catalyst use, and synthesis methods; and

26 (d) Is only added to a product authorized for production,
27 processing, or sale under this chapter, and is not further processed
28 or converted into a substance that is generally considered to be or
29 marketed as impairing.

30 (3) Subject to the requirements of this subsection (3), the
31 (~~liquor and cannabis~~) board may enact rules necessary to implement
32 the requirements of this section. Such rule making (~~is limited to~~)
33 includes regulations pertaining to laboratory testing and product
34 safety standards for (~~those~~) naturally and synthetically derived
35 cannabidiol or other nonimpairing cannabinoid products used by
36 licensed producers and processors in the manufacture of marijuana
37 products marketed by licensed retailers under this chapter (~~(69.50~~
38 ~~RCW)~~). Any synthetically derived cannabinoid used by licensed
39 producers and processors in the manufacture of cannabis products
40 marketed by licensed retailers under this chapter must be in

1 compliance with rules adopted by the board, prior to manufacturing
2 and sale to other licensees. Rule making by the board pertaining to
3 any synthetically derived cannabinoid must be in consultation with
4 the department of health and the department of agriculture. The
5 purpose of such rule making must be to ensure the safety and purity
6 of cannabidiol and other nonimpairing cannabinoid products used by
7 marijuana producers and processors licensed under this chapter
8 (~~69.50—RCW~~) and incorporated into products sold by licensed
9 recreational marijuana retailers. This rule-making authority does not
10 include the authority to enact rules regarding either the production
11 or processing practices of the industrial hemp industry or any
12 cannabidiol products that are sold or marketed outside of the
13 regulatory framework established under this chapter (~~69.50—RCW~~).

14 (4) Licensed cannabis producers and licensed cannabis processors
15 may not use any artificial cannabinoids, as defined in this chapter,
16 as an additive to any product authorized for production, processing,
17 and sale under this chapter.

18 (5) Licensed cannabis producers and licensed cannabis processors
19 must disclose on packaging and labeling all synthetically derived
20 cannabinoids contained in products, and may not make any statements
21 or claims on packaging, labeling, or advertising, indicating those
22 cannabinoids are a natural substance.

23 (6) The board must revise rules as appropriate to conform to the
24 terminology described in this act.

25 **Sec. 6.** RCW 69.50.342 and 2020 c 133 s 3 are each amended to
26 read as follows:

27 (1) For the purpose of carrying into effect the provisions of
28 chapter 3, Laws of 2013 according to their true intent or of
29 supplying any deficiency therein, the board may adopt rules not
30 inconsistent with the spirit of chapter 3, Laws of 2013 as are deemed
31 necessary or advisable. Without limiting the generality of the
32 preceding sentence, the board is empowered to adopt rules regarding
33 the following:

34 (a) The equipment and management of retail outlets and premises
35 where marijuana is produced or processed, and inspection of the
36 retail outlets and premises where marijuana is produced or processed;

37 (b) The books and records to be created and maintained by
38 licensees, the reports to be made thereon to the board, and
39 inspection of the books and records;

1 (c) Methods of producing, processing, and packaging marijuana,
2 useable marijuana, marijuana concentrates, and marijuana-infused
3 products; conditions of sanitation; safe handling requirements;
4 approved pesticides and pesticide testing requirements; and standards
5 of ingredients, quality, and identity of marijuana, useable
6 marijuana, marijuana concentrates, and marijuana-infused products
7 produced, processed, packaged, or sold by licensees;

8 (d) Security requirements for retail outlets and premises where
9 marijuana is produced or processed, and safety protocols for
10 licensees and their employees;

11 (e) Screening, hiring, training, and supervising employees of
12 licensees;

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

14 (g) Labeling requirements and restrictions on advertisement of
15 marijuana, useable marijuana, marijuana concentrates, cannabis health
16 and beauty aids, and marijuana-infused products for sale in retail
17 outlets;

18 (h) Forms to be used for purposes of this chapter and chapter
19 69.51A RCW or the rules adopted to implement and enforce these
20 chapters, the terms and conditions to be contained in licenses issued
21 under this chapter and chapter 69.51A RCW, and the qualifications for
22 receiving a license issued under this chapter and chapter 69.51A RCW,
23 including a criminal history record information check. The board may
24 submit any criminal history record information check to the
25 Washington state patrol and to the identification division of the
26 federal bureau of investigation in order that these agencies may
27 search their records for prior arrests and convictions of the
28 individual or individuals who filled out the forms. The board must
29 require fingerprinting of any applicant whose criminal history record
30 information check is submitted to the federal bureau of
31 investigation;

32 (i) Application, reinstatement, and renewal fees for licenses
33 issued under this chapter and chapter 69.51A RCW, and fees for
34 anything done or permitted to be done under the rules adopted to
35 implement and enforce this chapter and chapter 69.51A RCW;

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

39 (k) Times and periods when, and the manner, methods, and means by
40 which, licensees transport and deliver marijuana, marijuana

1 concentrates, useable marijuana, and marijuana-infused products
2 within the state;

3 (l) Identification, seizure, confiscation, destruction, or
4 donation to law enforcement for training purposes of all marijuana,
5 marijuana concentrates, useable marijuana, and marijuana-infused
6 products produced, processed, sold, or offered for sale within this
7 state which do not conform in all respects to the standards
8 prescribed by this chapter or chapter 69.51A RCW or the rules adopted
9 to implement and enforce these chapters;

10 (m) The prohibition of any type of device used in conjunction
11 with a marijuana vapor product and the prohibition of the use of any
12 type of additive, solvent, ingredient, or compound in the production
13 and processing of marijuana products, including marijuana vapor
14 products, when the board determines, following consultation with the
15 department of health or any other authority the board deems
16 appropriate, that the device, additive, solvent, ingredient, or
17 compound may pose a risk to public health or youth access; (~~and~~)

18 (n) Requirements for processors to submit under oath to the
19 department of health a complete list of all constituent substances
20 and the amount and sources thereof in each marijuana vapor product,
21 including all additives, thickening agents, preservatives, compounds,
22 and any other substance used in the production and processing of each
23 marijuana vapor product; and

24 (o) The production, processing, transportation, delivery, sale,
25 and purchase of naturally derived cannabinoids or synthetically
26 derived cannabinoids. This rule-making authority does not include
27 authority to adopt rules on activities identified in this subsection
28 (1)(o) related to:

29 (i) Hemp or products derived from hemp as defined in RCW
30 15.140.020, except products intended for use by a licensee as
31 provided in this chapter; or

32 (ii) Products authorized as a drug by the federal food and drug
33 administration.

34 (2) Rules adopted on retail outlets holding medical marijuana
35 endorsements must be adopted in coordination and consultation with
36 the department.

37 (3) The board must adopt rules to perfect and expand existing
38 programs for compliance education for licensed marijuana businesses
39 and their employees. The rules must include a voluntary compliance
40 program created in consultation with licensed marijuana businesses

1 and their employees. The voluntary compliance program must include
2 recommendations on abating violations of this chapter and rules
3 adopted under this chapter.

4 **Sec. 7.** RCW 69.50.363 and 2015 c 207 s 7 are each amended to
5 read as follows:

6 The following acts, when performed by a validly licensed
7 marijuana processor or employee of a validly licensed marijuana
8 processor in compliance with rules adopted by the (~~state liquor~~
9 ~~control~~) board to implement and enforce chapter 3, Laws of 2013, do
10 not constitute criminal or civil offenses under Washington state law:

11 (1) Purchase and receipt of marijuana that has been properly
12 packaged and labeled from a marijuana producer validly licensed under
13 chapter 3, Laws of 2013;

14 (2) Compound or convert cannabis products from cannabis grown by
15 a licensed cannabis producer, as specified by the board by rule. This
16 section does not authorize compounding or converting hemp into
17 cannabinoids that are generally considered to be or marketed as
18 impairing for creation of cannabis products from hemp, except as
19 authorized under RCW 69.50.326;

20 (3) Possession, processing, packaging, and labeling of quantities
21 of marijuana, useable marijuana, and marijuana-infused products that
22 do not exceed the maximum amounts established by the (~~state liquor~~
23 ~~control~~) board under RCW 69.50.345(4);

24 (~~(3)~~) (4) Delivery, distribution, and sale of useable marijuana
25 or marijuana-infused products to a marijuana retailer validly
26 licensed under chapter 3, Laws of 2013; and

27 (~~(4)~~) (5) Delivery, distribution, and sale of useable
28 marijuana, marijuana concentrates, or marijuana-infused products to a
29 federally recognized Indian tribe as permitted under an agreement
30 between the state and the tribe entered into under RCW 43.06.490.

31 **Sec. 8.** RCW 69.50.455 and 2015 2nd sp.s. c 4 s 1201 are each
32 amended to read as follows:

33 (1) (~~(1)~~) Except as authorized under section 3 of this act and
34 RCW 69.50.326, it is an unfair or deceptive practice under RCW
35 19.86.020 for any person or entity to distribute, dispense,
36 manufacture, display for sale, offer for sale, attempt to sell, or
37 sell to a purchaser any product that contains any amount of any
38 synthetic cannabinoid. The legislature finds that practices covered

1 by this section are matters vitally affecting the public interest for
2 the purpose of applying the consumer protection act, chapter 19.86
3 RCW. Violations of this section are not reasonable in relation to the
4 development and preservation of business.

5 (2) (~~"Synthetic~~) For the purposes of this section, "synthetic
6 cannabinoid" includes any chemical compound identified in RCW
7 69.50.204(c)(30) or by the pharmacy quality assurance commission
8 under RCW 69.50.201.

9 **Sec. 9.** RCW 69.50.375 and 2015 c 70 s 10 are each amended to
10 read as follows:

11 (1) A medical marijuana endorsement to a marijuana retail license
12 is hereby established to permit a marijuana retailer to sell
13 marijuana for medical use to qualifying patients and designated
14 providers. This endorsement also permits such retailers to provide
15 marijuana at no charge, at their discretion, to qualifying patients
16 and designated providers.

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

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

20 (a) Not authorize the medical use of marijuana for qualifying
21 patients at the retail outlet or permit health care professionals to
22 authorize the medical use of marijuana for qualifying patients at the
23 retail outlet;

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

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

29 (d) Demonstrate the ability to enter qualifying patients and
30 designated providers in the medical marijuana authorization database
31 established in RCW 69.51A.230 and issue recognition cards and agree
32 to enter qualifying patients and designated providers into the
33 database and issue recognition cards in compliance with department
34 standards;

35 (e) Keep copies of the qualifying patient's or designated
36 provider's recognition card, or keep equivalent records as required
37 by rule of the state liquor and cannabis board or the department of
38 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 cannabis concentrates, useable
28 cannabis, and cannabis-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. 10.** 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. 11.** 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 NEW SECTION. **Sec. 12.** A new section is added to chapter 69.50
39 RCW to read as follows:

1 Upon publication of a notice of a proposed rule under RCW
2 34.05.320 related to cannabinoids that are generally considered to be
3 or marketed as impairing or synthetically derived cannabinoids, the
4 board shall notify the chairs and ranking minority members of the
5 house of representatives commerce and gaming committee and of the
6 senate labor, commerce, and tribal affairs committee, and provide
7 them with the information in RCW 34.05.320(1). A chair or a ranking
8 minority member may, if either deems appropriate, recommend a review
9 of the proposed rule to the joint administrative rules review
10 committee as provided in chapter 34.05 RCW.

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

13 (1) The Washington State University center for cannabis policy,
14 research, and outreach and the board must convene a scientific panel
15 consisting of the following members:

- 16 (a) An expert in pharmacology;
- 17 (b) An expert in toxicology;
- 18 (c) An expert with regulatory affairs experience in
19 nutraceutical, pharmaceutical, or dietary supplements;
- 20 (d) An expert in organic chemistry;
- 21 (e) An expert in cannabis research;
- 22 (f) A representative from the department;
- 23 (g) A representative from the department of agriculture; and
- 24 (h) A representative from the board.

25 (2) Of the members in subsection (1) of this section, at least
26 one member must be a representative of the University of Washington
27 and one member must be a representative of Washington State
28 University. The member representing Washington State University must
29 serve as chair of the scientific panel and must form and oversee the
30 scientific panel.

31 (3) The scientific panel must review available research, data,
32 and regulations of other jurisdictions related to cannabinoids
33 including, but not limited to, definitions of the term impairing in
34 relation to a cannabinoid.

35 (4) The panel must compile findings and make recommendations to
36 the legislature regarding regulating cannabinoids in the adult use
37 cannabis market, by December 1, 2023.

38 (5) This section expires December 31, 2023.

1 NEW SECTION. **Sec. 14.** A new section is added to chapter 69.50
2 RCW to read as follows:

3 (1) The board must appoint an advisory committee to review issues
4 and topics of interest regarding regulating cannabinoids.

5 (2) The committee must be composed, at a minimum, of cannabis
6 license holders, industry associations, public health professionals,
7 and representatives from other relevant state agencies.

8 (3) The committee must provide comment on board rule making,
9 policies, and other issues the committee determines require its
10 consideration.

11 (4) The committee must meet at least quarterly.

12 (5) The members must serve without compensation, but are entitled
13 to reimbursement for travel expenses as provided in RCW 43.03.050 and
14 43.03.060. The committee may use personnel and facilities of the
15 board as needed, without charge. All expenses of the committee must
16 be paid by the dedicated cannabis account.

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

19 (1) Beginning July 1, 2022, and ending June 30, 2024, the board
20 must apply and collect a license fee surcharge of \$25 for licenses
21 identified in this section upon initial application and annual
22 renewal of the licenses.

23 (2) Except as provided in subsections (3) and (4) of this
24 section, licenses subject to the temporary surcharge established in
25 this section are the following:

26 (a) Any vapor product retailer's license issued under chapter
27 70.345 RCW; and

28 (b) Any entity licensed under chapter 82.24 or 82.26 RCW to sell
29 cigarettes, tobacco, and other tobacco products at retail.

30 (3) No business may be required to pay the license fee surcharge
31 on more than one license type identified in subsection (2) of this
32 section.

33 (4) This section does not apply to businesses classified as:

34 (a) "Convenience stores" as described in code 445120 of the North
35 American industry classification system;

36 (b) "Gasoline stations with convenience stores" as described in
37 code 447110 of the North American industry classification system; or

1 (c) "Supermarkets and other grocery (except convenience) stores"
2 as described in code 445110 of the North American industry
3 classification system.

4 (5) This section expires July 1, 2024.

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

7 (1) The board must conduct enforcement operations regarding
8 products containing cannabinoids that are generally considered to be
9 or marketed as impairing including, but not limited to, products
10 containing delta-8 THC, and not authorized for sale under this
11 chapter.

12 (2) For purposes of this section, "enforcement operations"
13 includes efforts to attain compliance, prevent noncompliance, and the
14 removal of products containing cannabinoids that are generally
15 considered to be or marketed as impairing and that are not authorized
16 for sale under this chapter.

17 (3) This section expires July 1, 2024.

18 **Sec. 17.** RCW 70.345.050 and 2016 sp.s. c 38 s 8 are each amended
19 to read as follows:

20 (1) A fee of one hundred seventy-five dollars, plus any temporary
21 license fee surcharge that may apply under section 15 of this act,
22 must accompany each vapor product retailer's license application or
23 license renewal application under RCW 70.345.020. A separate license
24 is required for each separate location at which the retailer
25 operates.

26 (2) A retailer applying for, or renewing, both a vapor products
27 retailer's license under RCW 70.345.020 and retailer's license under
28 RCW 82.24.510 may pay a combined application fee of two hundred fifty
29 dollars for both licenses.

30 **Sec. 18.** RCW 82.24.510 and 2019 c 445 s 203 are each amended to
31 read as follows:

32 (1) The licenses issuable under this chapter are as follows:

33 (a) A wholesaler's license.

34 (b) A retailer's license.

35 (2) Application for the licenses must be made through the
36 business licensing system under chapter 19.02 RCW. The board must
37 adopt rules regarding the regulation of the licenses. The board may

1 refrain from the issuance of any license under this chapter if the
2 board has reasonable cause to believe that the applicant has
3 willfully withheld information requested for the purpose of
4 determining the eligibility of the applicant to receive a license, or
5 if the board has reasonable cause to believe that information
6 submitted in the application is false or misleading or is not made in
7 good faith. In addition, for the purpose of reviewing an application
8 for a wholesaler's license or retailer's license and for considering
9 the denial, suspension, or revocation of any such license, the board
10 may consider any prior criminal conduct of the applicant, including
11 an administrative violation history record with the board and a
12 criminal history record information check within the previous five
13 years, in any state, tribal, or federal jurisdiction in the United
14 States, its territories, or possessions, and the provisions of RCW
15 9.95.240 and chapter 9.96A RCW do not apply to such cases. The board
16 may, in its discretion, grant or refuse the wholesaler's license or
17 retailer's license, subject to the provisions of RCW 82.24.550.

18 (3) No person may qualify for a wholesaler's license or a
19 retailer's license under this section without first undergoing a
20 criminal background check. The background check must be performed by
21 the board and must disclose any criminal conduct within the previous
22 five years in any state, tribal, or federal jurisdiction in the
23 United States, its territories, or possessions. A person who
24 possesses a valid license on July 22, 2001, is subject to this
25 subsection and subsection (2) of this section beginning on the date
26 of the person's business license expiration under chapter 19.02 RCW,
27 and thereafter. If the applicant or licensee also has a license
28 issued under chapter 66.24, 82.26, or 70.345 RCW, the background
29 check done under the authority of chapter 66.24, 82.26, or 70.345 RCW
30 satisfies the requirements of this section.

31 (4) Each such license expires on the business license expiration
32 date, and each such license must be continued annually if the
33 licensee has paid the required fee, plus any temporary license fee
34 surcharge that may apply under section 15 of this act for retailers,
35 and complied with all the provisions of this chapter and the rules of
36 the board made pursuant thereto.

37 (5) Each license and any other evidence of the license that the
38 board requires must be exhibited in each place of business for which
39 it is issued and in the manner required for the display of a business
40 license.

1 **Sec. 19.** RCW 82.24.530 and 2016 sp.s. c 38 s 9 are each amended
2 to read as follows:

3 (1) A fee of one hundred seventy-five dollars, plus any temporary
4 license fee surcharge that may apply under section 15 of this act,
5 must accompany each retailer's license application or license renewal
6 application. A separate license is required for each separate
7 location at which the retailer operates. A fee of thirty additional
8 dollars for each vending machine must accompany each application or
9 renewal for a license issued to a retail dealer operating a cigarette
10 vending machine. An additional fee of ninety-three dollars must
11 accompany each application or renewal for a license issued to a
12 retail dealer operating a cigarette-making machine.

13 (2) A retailer applying for, or renewing, both a retailer's
14 license under RCW 82.24.510 and a vapor products retailer's license
15 under RCW 70.345.020 may pay a combined application fee of two
16 hundred fifty dollars for both licenses, plus any temporary license
17 fee surcharge that may apply under section 15 of this act.

18 **Sec. 20.** RCW 82.26.170 and 2016 sp.s. c 38 s 28 are each amended
19 to read as follows:

20 (1) A fee of one hundred seventy-five dollars, plus any temporary
21 license fee surcharge that may apply under section 15 of this act,
22 shall accompany each retailer's license application or license
23 renewal application. A separate license is required for each separate
24 location at which the retailer operates.

25 (2) The fee imposed under subsection (1) of this section does not
26 apply to any person applying for a retailer's license or for renewal
27 of a retailer's license if the person has a valid retailer's license
28 under RCW 82.24.510 for the place of business associated with the
29 retailer's license application or renewal application.

30 (3) A retailer applying for, or renewing, both a retailer's
31 license under (~~RCW 82.26.170~~) this section and a vapor products
32 retailer's license under RCW 70.345.020 may pay a combined
33 application fee of two hundred fifty dollars for both licenses, plus
34 any temporary license fee surcharge that may apply under section 15
35 of this act.

36 NEW SECTION. **Sec. 21.** If any provision of this act or its
37 application to any person or circumstance is held invalid, the

1 remainder of the act or the application of the provision to other
2 persons or circumstances is not affected.

3 NEW SECTION. **Sec. 22.** This act takes effect July 1, 2022.

4 NEW SECTION. **Sec. 23.** Sections 17 through 20 of this act expire
5 June 30, 2024.

--- END ---