
HOUSE BILL 2122

State of Washington

67th Legislature

2022 Regular Session

By Representative Kloba

1 AN ACT Relating to protecting consumers from untested and
2 unregulated cannabinoid products by expanding agency regulatory
3 authority over cannabinoids that may be impairing, modifying
4 definitions in the uniform controlled substances act, prohibiting the
5 sale of certain cannabinoid products except by licensed cannabis
6 businesses, regulating the use of additives in cannabis products,
7 requiring product testing and disclosures, prohibiting the
8 manufacture and sale of artificial cannabinoids, requiring agency
9 rules before the manufacture and sale of synthetically derived
10 cannabinoids, prohibiting artificial cannabinoids and synthetically
11 derived cannabinoids in products labeled as compliant with department
12 of health product standards and available for an existing sales and
13 use tax exemption, and establishing a temporary license fee surcharge
14 on certain licensees of the liquor and cannabis board to fund
15 enforcement related to sales of cannabinoid products that may be
16 impairing or are marketed as impairing; amending RCW 69.50.325,
17 69.50.326, 69.50.342, 69.50.363, 69.50.455, 69.50.375, 82.08.9998,
18 82.12.9998, 66.24.360, 70.345.050, 82.24.510, 82.24.530, and
19 82.26.170; reenacting and amending RCW 69.50.101; adding new sections
20 to chapter 69.50 RCW; creating a new section; providing an effective
21 date; and providing expiration dates.

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

1 NEW SECTION. **Sec. 1.** Due to the evolving nature of new
2 cannabinoids being identified in the plant *Cannabis* that may be
3 impairing, the legislature finds there is a need to provide consumers
4 legal access to products that have been tested and which meet the
5 same standards for quality and safety as delta-9
6 tetrahydrocannabinol. The legislature further finds there is a need
7 to require labeling, serving size, potency, and ingredient disclosure
8 standards for any impairing cannabinoid product. The legislature
9 further finds there is a need to distinguish cannabinoids derived
10 from natural plants that are prepared for human consumption and the
11 more unpredictable artificial cannabinoids created solely through
12 chemical reactions. The legislature further recognizes the need to
13 maintain clarity between plants defined as marijuana and plants
14 defined as hemp. The primary purpose of this act is to authorize the
15 liquor and cannabis board to regulate all cannabinoids that may be
16 impairing, regardless of origin, and to direct the board to adopt
17 rules related to cannabinoid products and *Cannabis* isolates, except
18 those authorized as a drug by the federal food and drug
19 administration.

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

22 The definitions in this section apply throughout this chapter
23 unless the context clearly requires otherwise.

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

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

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

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

35 (c) "Artificial cannabinoid" means a solely chemically created
36 substance that does not originate from the plant *Cannabis* but is
37 structurally the same or substantially similar to the molecular
38 structure of any substance derived from the plant *Cannabis* that may
39 be a cannabinoid receptor agonist and includes, but is not limited

1 to, any material, compound, mixture, or preparation that is not
2 listed as a controlled substance in Schedules I through V of the
3 Washington state controlled substances act. Artificial cannabinoids
4 do not include:

5 (1) A naturally occurring chemical substance that is separated
6 from the plant Cannabis by a chemical or mechanical extraction
7 process;

8 (2) Cannabinoids that are produced by decarboxylation from a
9 naturally occurring cannabinoid acid without the use of a chemical
10 catalyst; or

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

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

15 ~~((d))~~ (e) "Cannabinoid" means any of the chemical compounds
16 that are the active constituents of the plant Cannabis and their
17 acids including, but not limited to, tetrahydrocannabinol,
18 tetrahydrocannabinolic acid, cannabidiol, cannabidiolic acid,
19 cannabinol, cannabigerol, cannabichromene, cannabicyclol,
20 cannabivarin, tetrahydrocannabivarin, cannabidivarin,
21 cannabichromevarin, cannabigerovarin, cannabigerol monomethyl ether,
22 cannabielsoin, and cannabicitran. Cannabinoids do not include
23 artificial cannabinoids.

24 (f) "Catalyst" means a substance that increases the rate of a
25 chemical reaction without itself undergoing any permanent chemical
26 change.

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

29 ~~((e))~~ (h) "CBD product" means any product containing or
30 consisting of cannabidiol that does not exceed 0.3 percent THC on a
31 dry weight basis and that does not contain more than 0.5 milligrams
32 per serving or two milligrams total in the packaged product of a
33 cannabinoid that may be impairing.

34 ~~((f))~~ (i) "Commission" means the pharmacy quality assurance
35 commission.

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

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

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

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

14 (2) The term does not include:

15 (i) a controlled substance;

16 (ii) a substance for which there is an approved new drug
17 application;

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

23 (iv) any substance to the extent not intended for human
24 consumption before an exemption takes effect with respect to the
25 substance.

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

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

30 ~~((k))~~ (n) "Designated provider" has the meaning provided in RCW
31 69.51A.010.

32 ~~((l))~~ (o) "Dispense" means the interpretation of a prescription
33 or order for a controlled substance and, pursuant to that
34 prescription or order, the proper selection, measuring, compounding,
35 labeling, or packaging necessary to prepare that prescription or
36 order for delivery.

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

38 ~~((n))~~ (q) "Distillate" means an extract from the plant Cannabis
39 where a segment of one or more cannabinoids from an initial

1 extraction are selectively concentrated through a mechanical or
2 chemical process, or both, with all impurities removed.

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

5 ~~((+e))~~ (s) "Distributor" means a person who distributes.

6 ~~((+p))~~ (t) "Drug" means (1) a controlled substance recognized as
7 a drug in the official United States pharmacopoeia/national formulary
8 or the official homeopathic pharmacopoeia of the United States, or
9 any supplement to them; (2) controlled substances intended for use in
10 the diagnosis, cure, mitigation, treatment, or prevention of disease
11 in individuals or animals; (3) controlled substances (other than
12 food) intended to affect the structure or any function of the body of
13 individuals or animals; and (4) controlled substances intended for
14 use as a component of any article specified in (1), (2), or (3) of
15 this subsection. The term does not include devices or their
16 components, parts, or accessories.

17 ~~((+q))~~ (u) "Drug enforcement administration" means the drug
18 enforcement administration in the United States Department of
19 Justice, or its successor agency.

20 ~~((+r))~~ (v) "Electronic communication of prescription
21 information" means the transmission of a prescription or refill
22 authorization for a drug of a practitioner using computer systems.
23 The term does not include a prescription or refill authorization
24 verbally transmitted by telephone nor a facsimile manually signed by
25 the practitioner.

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

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

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

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

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

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

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

3 ~~((u))~~ (aa) "Impairing" in relation to a cannabinoid means a
4 psychotropic constituent of the plant cannabis which may diminish a
5 person's cognitive, mental, or physical function or ability. For
6 purposes only of sections 3, 4, 5, 6, and 7 of this act, the board
7 may further revise the definition of impairing by rule in accordance
8 with chapter 34.05 RCW.

9 (bb) "Isolate" means extract from the plant Cannabis of 95
10 percent or more of a single cannabinoid compound.

11 (cc) "Isomer" means an optical isomer, but in subsection ~~((gg))~~
12 ~~(oo)~~(5) of this section, RCW 69.50.204(a) (12) and (34), and
13 69.50.206(b)(4), the term includes any geometrical isomer; in RCW
14 69.50.204(a) (8) and (42), and 69.50.210(c) the term includes any
15 positional isomer; and in RCW 69.50.204(a)(35), 69.50.204(c), and
16 69.50.208(a) the term includes any positional or geometric isomer.

17 ~~((v))~~ (dd) "Lot" means a definite quantity of marijuana,
18 marijuana concentrates, useable marijuana, or marijuana-infused
19 product identified by a lot number, every portion or package of which
20 is uniform within recognized tolerances for the factors that appear
21 in the labeling.

22 ~~((w))~~ (ee) "Lot number" must identify the licensee by business
23 or trade name and Washington state unified business identifier
24 number, and the date of harvest or processing for each lot of
25 marijuana, marijuana concentrates, useable marijuana, or marijuana-
26 infused product.

27 ~~((x))~~ (ff) "Manufacture" means the production, preparation,
28 propagation, compounding, conversion, or processing of a controlled
29 substance, either directly or indirectly or by extraction from
30 substances of natural origin, or independently by means of chemical
31 synthesis, or by a combination of extraction and chemical synthesis,
32 and includes any packaging or repackaging of the substance or
33 labeling or relabeling of its container. The term does not include
34 the preparation, compounding, packaging, repackaging, labeling, or
35 relabeling of a controlled substance:

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

39 (2) by a practitioner, or by the practitioner's authorized agent
40 under the practitioner's supervision, for the purpose of, or as an

1 incident to, research, teaching, or chemical analysis and not for
2 sale.

3 ~~((y))~~ (gg) "Marijuana" or "marihuana" means all parts of the
4 plant *Cannabis* ~~((, whether growing or not,))~~ with a ~~((THC))~~
5 tetrahydrocannabinol concentration ~~((greater))~~ of more than 0.3
6 percent on a dry weight basis, whether growing or not; the seeds
7 thereof; the resin extracted from any part of the plant, including
8 concentrated resins, cannabinoids, and the products thereof; and
9 every compound, manufacture, salt, derivative, mixture, or
10 preparation of the plant, its seeds or resin. The term does not
11 include:

12 (1) The mature stalks of the plant, fiber produced from the
13 stalks, oil or cake made from the seeds of the plant, any other
14 compound, manufacture, salt, derivative, mixture, or preparation of
15 the mature stalks (except the resin extracted therefrom), fiber, oil,
16 or cake, or the sterilized seed of the plant which is incapable of
17 germination; or

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

22 ~~((z))~~ (hh) "Marijuana concentrates" means products consisting
23 wholly or in part of the resin extracted from any part of the plant
24 *Cannabis* ~~((and having a THC concentration))~~ containing greater than
25 ten percent total THC such as, but not limited to, kief, live resin,
26 rosin, hash, or bubble hash.

27 ~~((aa))~~ (ii) "Marijuana processor" means a person licensed by
28 the board to process marijuana of natural origin, grown by a licensed
29 producer, either directly or indirectly or by extraction from the
30 plant *Cannabis* as defined in subsection (tt) of this section, unless
31 sourced and used as an additive in accordance with RCW 69.50.326,
32 into marijuana concentrates, useable marijuana, and marijuana-infused
33 products, package and label marijuana concentrates, useable
34 marijuana, and marijuana-infused products for sale in retail outlets,
35 ~~((and))~~ sell marijuana concentrates, useable marijuana, and
36 marijuana-infused products for sale in retail outlets, and sell
37 marijuana concentrates, useable marijuana, and marijuana-infused
38 products at wholesale to marijuana retailers.

39 ~~((bb))~~ (jj) "Marijuana producer" means a person licensed by the
40 board to produce, prepare, and propagate marijuana directly from a

1 natural origin and sell (~~(marijuana)~~) at wholesale to marijuana
2 processors and other marijuana producers.

3 (~~(ee)~~) (kk) "Marijuana products" means useable marijuana,
4 marijuana concentrates, and marijuana-infused products as defined in
5 this section and also includes any product with 0.5 milligrams or
6 more per serving or two milligrams or more per package of a
7 cannabinoid that may be impairing or that is marketed as such.

8 (~~(dd)~~) (ll) "Marijuana researcher" means a person licensed by
9 the board to produce, process, and possess marijuana for the purposes
10 of conducting research on marijuana and marijuana-derived drug
11 products.

12 (~~(ee)~~) (mm) "Marijuana retailer" means a person licensed by the
13 board to sell marijuana concentrates, useable marijuana, and
14 marijuana-infused products in a retail outlet.

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

22 (~~(gg)~~) (oo) "Narcotic drug" means any of the following, whether
23 produced directly or indirectly by extraction from substances of
24 vegetable origin, or independently by means of chemical synthesis, or
25 by a 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 (1) through (7) of this subsection.

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

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

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

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

22 ~~((ll))~~ (tt) "Plant Cannabis" means all plants of the genus
23 Cannabis, including marijuana as defined in subsection (qq) of this
24 section, and hemp as defined in RCW 15.140.020.

25 (uu) "Poppy straw" means all parts, except the seeds, of the
26 opium poppy, after mowing.

27 ~~((mm))~~ (vv) "Practitioner" means:

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

1 distribute, dispense, conduct research with respect to or administer
2 a controlled substance in the course of their professional practice
3 or research in this state.

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

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

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

24 (~~(oo)~~) (xx) "Production" includes the manufacturing, planting,
25 cultivating, growing, or harvesting of a controlled substance.

26 (~~(pp)~~) (yy) "Qualifying patient" has the meaning provided in
27 RCW 69.51A.010.

28 (~~(qq)~~) (zz) "Recognition card" has the meaning provided in RCW
29 69.51A.010.

30 (~~(rr)~~) (aaa) "Retail outlet" means a location licensed by the
31 board for the retail sale of marijuana concentrates, useable
32 marijuana, and marijuana-infused products.

33 (~~(ss)~~) (bbb) "Secretary" means the secretary of health or the
34 secretary's designee.

35 (~~(tt)~~) (ccc) "State," unless the context otherwise requires,
36 means a state of the United States, the District of Columbia, the
37 Commonwealth of Puerto Rico, or a territory or insular possession
38 subject to the jurisdiction of the United States.

39 (~~(uu)~~) (ddd) "Synthetically derived cannabinoid" means any
40 cannabinoid that is altered by a chemical reaction that changes the

1 molecular structure of any natural cannabinoid derived from the plant
2 *Cannabis* to another cannabinoid found naturally in the plant
3 *Cannabis*.

4 (eee) (1) "Tetrahydrocannabinol" or "THC" includes all
5 tetrahydrocannabinols that are artificially, synthetically, or
6 naturally derived, including but not limited to delta-8
7 tetrahydrocannabinol, delta-9 tetrahydrocannabinol, delta-10
8 tetrahydrocannabinol, THCv tetrahydrocannabivarin, THCP
9 tetrahydrocannabiphorol, THC-O-Acetate, and the optical isomers of
10 THC cannabinoids.

11 (2) Notwithstanding (1) of this subsection, tetrahydrocannabinol
12 includes concentrated resins or cannabinoids, and the products
13 thereof, produced from the plant *Cannabis*, whether or not the
14 cannabinoids were derived from a marijuana plant containing a THC
15 concentration greater than 0.3 percent on a dry weight basis.

16 (fff) "THC concentration" means percent of ((delta-9))
17 tetrahydrocannabinol content per dry weight of any part of the plant
18 *Cannabis*, or per volume or weight of marijuana product, or the
19 combined percent of ((delta-9)) tetrahydrocannabinol and
20 tetrahydrocannabinolic acid in any part of the plant *Cannabis*
21 regardless of moisture content.

22 ((~~vv~~)) (ggg) "Total THC" means the sum of the percentage, by
23 weight or volume measurement of tetrahydrocannabinolic acid
24 multiplied by 0.877, plus, the percentage by weight or volume
25 measurement of tetrahydrocannabinol.

26 (hhh) "Ultimate user" means an individual who lawfully possesses
27 a controlled substance for the individual's own use or for the use of
28 a member of the individual's household or for administering to an
29 animal owned by the individual or by a member of the individual's
30 household.

31 ((~~ww~~)) (iii) "Useable marijuana" means dried marijuana flowers.
32 The term "useable marijuana" does not include either marijuana-
33 infused products or marijuana concentrates.

34 ((~~xx~~)) (jjj) "Youth access" means the level of interest persons
35 under the age of twenty-one may have in a vapor product, as well as
36 the degree to which the product is available or appealing to such
37 persons, and the likelihood of initiation, use, or addiction by
38 adolescents and young adults.

1 NEW SECTION. **Sec. 3.** A new section is added to chapter 69.50

2 RCW to read as follows:

3 (a) Products containing or consisting of cannabinoids produced
4 and processed for any type of consumption into a human body, whether
5 marketed as such or not, exceeding 0.3 percent THC on a dry weight
6 basis, that contains more than 0.5 milligrams per serving or two
7 milligrams total in the packaged product of a cannabinoid that may be
8 impairing, may only be sold by a marijuana producer, marijuana
9 processor, or marijuana retailer licensed by the board unless
10 authorized as a drug by the federal food and drug administration.

11 (b) All products containing cannabinoids described in subsection
12 (a) of this section, or cannabinoid products marketed as having
13 impairing effects, are within the scope of regulatory authority of
14 the board under this chapter, except those authorized as a drug by
15 the federal food and drug administration.

16 (c) Sale of products identified in subsection (a) of this section
17 is prohibited unless conducted by a business holding a valid
18 marijuana producer, marijuana processor, or marijuana retailer
19 license issued by the board.

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

25 (1) Products containing cannabinoids that may be impairing;

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

28 (3) Products that contain 0.5 or more milligrams per serving or
29 two or more milligrams total in the packaged product of any
30 cannabinoid that may be impairing.

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

34 (f) The requirement provided in subsection (d) of this section
35 does not apply to delta-9 THC products approved by the board prior to
36 January 1, 2022.

37 (g) Cannabis health and beauty aids compliant with RCW 69.50.575
38 are not subject to the provisions of subsections (a) through (d) of
39 this section.

1 (h) Manufacturing and sales of artificial cannabinoids is
2 prohibited.

3 (i) This section does not apply to unadulterated hemp flower that
4 is not further processed into extracts, infused products, or
5 concentrates.

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

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

30 (2) There shall be a marijuana processor's license to process
31 marijuana, from the plant *Cannabis* of natural origin and grown by a
32 licensed producer, unless sourced and used as an additive in
33 accordance with RCW 69.50.326, and compound or convert marijuana
34 products from marijuana grown by a licensed marijuana producer as
35 specified by the board by rule, and prepare, package, and label
36 marijuana concentrates, useable marijuana, and marijuana-infused
37 products, which contain greater than 0.5 milligrams per serving of a
38 cannabinoid that may be impairing, for sale at wholesale to marijuana
39 processors and marijuana retailers, regulated by the board and

1 subject to annual renewal. The processing, packaging, possession,
2 delivery, distribution, and sale of marijuana, useable marijuana,
3 marijuana-infused products, and marijuana concentrates in accordance
4 with the provisions of this chapter and chapter 69.51A RCW and the
5 rules adopted to implement and enforce these chapters, by a validly
6 licensed marijuana processor, shall not be a criminal or civil
7 offense under Washington state law. Every marijuana processor's
8 license shall be issued in the name of the applicant, shall specify
9 the location at which the licensee intends to operate, which must be
10 within the state of Washington, and the holder thereof shall not
11 allow any other person to use the license. The application fee for a
12 marijuana processor's license shall be two hundred fifty dollars. The
13 annual fee for issuance and renewal of a marijuana processor's
14 license shall be one thousand three hundred eighty-one dollars. A
15 separate license shall be required for each location at which a
16 marijuana processor intends to process marijuana.

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

38 (b) An individual retail licensee and all other persons or
39 entities with a financial or other ownership interest in the business

1 operating under the license are limited, in the aggregate, to holding
2 a collective total of not more than five retail marijuana licenses.

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

5 (ii) The board shall adopt rules to establish a license
6 forfeiture process for a licensed marijuana retailer that is not
7 fully operational and open to the public within a specified period
8 from the date of license issuance, as established by the board,
9 subject to the following restrictions:

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

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

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

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

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

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

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

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

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

3 (1) Licensed marijuana producers and licensed marijuana
4 processors may use ~~((a))~~ CBD ~~((product))~~, other nonimpairing
5 cannabinoids, or nonimpairing plant Cannabis isolates as ~~((an))~~
6 additives for the purpose of enhancing the ~~((cannabidiol))~~
7 nonimpairing cannabinoid concentration of any product authorized for
8 production, processing, and sale under this chapter. Except as
9 otherwise provided in subsection (2) of this section, such ~~((CBD~~
10 ~~product additives))~~ cannabinoid products or isolates must be lawfully
11 produced by a licensed marijuana producer, or purchased from ~~((r))~~ a
12 producer or processor licensed under this chapter.

13 (2) Subject to the requirements set forth in (a) ~~((and (b)))~~
14 through (d) of this subsection, and for the sole purpose of enhancing
15 the ~~((cannabidiol))~~ nonimpairing cannabinoid concentration of any
16 product authorized for production, processing, or sale under this
17 chapter, licensed marijuana producers and licensed marijuana
18 processors may use a CBD or other nonimpairing cannabinoid product
19 obtained from a source not licensed under this chapter, provided the
20 CBD or other nonimpairing cannabinoid product:

21 (a) Has a THC level of 0.3 percent or less on a dry weight basis
22 and does not contain greater than 0.5 milligrams per serving of any
23 cannabinoid that may be impairing; ~~((and))~~

24 (b) Has ~~((been tested for))~~ passed pesticide, heavy metals,
25 contaminants, and toxins testing by a testing laboratory accredited
26 under this chapter and in accordance with testing standards
27 established under this chapter and the applicable administrative
28 rules;

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

32 (d) Is only added to a product authorized for production,
33 processing, or sale under this chapter, and is not further processed
34 or converted into a substance that may be impairing.

35 (3) Subject to the requirements of this subsection (3), the
36 ~~((liquor and cannabis))~~ board may enact rules necessary to implement
37 the requirements of this section. Such rule making ~~((is limited to))~~
38 includes regulations pertaining to laboratory testing and product
39 safety standards for ~~((those))~~ naturally and synthetically derived
40 cannabidiol or other nonimpairing cannabinoid products used by

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

19 (4) Licensed marijuana producers and licensed marijuana
20 processors may not use any artificial cannabinoids, as defined in
21 this chapter, as an additive to any product authorized for
22 production, processing, and sale under this chapter.

23 (5) Licensed marijuana producers and licensed marijuana
24 processors must disclose on packaging and labeling all synthetically
25 derived cannabinoids contained in products, and may not make any
26 statements or claims on packaging, labeling, or advertising,
27 indicating those cannabinoids are a natural substance.

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

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

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

1 (a) The equipment and management of retail outlets and premises
2 where marijuana is produced or processed, and inspection of the
3 retail outlets and premises where marijuana is produced or processed;

4 (b) The books and records to be created and maintained by
5 licensees, the reports to be made thereon to the board, and
6 inspection of the books and records;

7 (c) Methods of producing, processing, and packaging marijuana,
8 useable marijuana, marijuana concentrates, and marijuana-infused
9 products; conditions of sanitation; safe handling requirements;
10 approved pesticides and pesticide testing requirements; and standards
11 of ingredients, quality, and identity of marijuana, useable
12 marijuana, marijuana concentrates, and marijuana-infused products
13 produced, processed, packaged, or sold by licensees;

14 (d) Security requirements for retail outlets and premises where
15 marijuana is produced or processed, and safety protocols for
16 licensees and their employees;

17 (e) Screening, hiring, training, and supervising employees of
18 licensees;

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

20 (g) Labeling requirements and restrictions on advertisement of
21 marijuana, useable marijuana, marijuana concentrates, cannabis health
22 and beauty aids, and marijuana-infused products for sale in retail
23 outlets;

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

38 (i) Application, reinstatement, and renewal fees for licenses
39 issued under this chapter and chapter 69.51A RCW, and fees for

1 anything done or permitted to be done under the rules adopted to
2 implement and enforce this chapter and chapter 69.51A RCW;

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

6 (k) Times and periods when, and the manner, methods, and means by
7 which, licensees transport and deliver marijuana, marijuana
8 concentrates, useable marijuana, and marijuana-infused products
9 within the state;

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

17 (m) The prohibition of any type of device used in conjunction
18 with a marijuana vapor product and the prohibition of the use of any
19 type of additive, solvent, ingredient, or compound in the production
20 and processing of marijuana products, including marijuana vapor
21 products, when the board determines, following consultation with the
22 department of health or any other authority the board deems
23 appropriate, that the device, additive, solvent, ingredient, or
24 compound may pose a risk to public health or youth access; ~~((and))~~

25 (n) Requirements for processors to submit under oath to the
26 department of health a complete list of all constituent substances
27 and the amount and sources thereof in each marijuana vapor product,
28 including all additives, thickening agents, preservatives, compounds,
29 and any other substance used in the production and processing of each
30 marijuana vapor product; and

31 (o) The production, processing, transportation, delivery, sale,
32 and purchase of naturally derived cannabinoids or synthetically
33 derived cannabinoids. This rule-making authority does not include
34 authority to adopt rules on activities identified in this subsection
35 (1)(o) related to:

36 (i) Hemp or products derived from hemp as defined in RCW
37 15.140.020, except products intended for use by a licensee as
38 provided in this chapter; or

39 (ii) Products authorized as a drug by the federal food and drug
40 administration.

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

4 (3) The board must adopt rules to perfect and expand existing
5 programs for compliance education for licensed marijuana businesses
6 and their employees. The rules must include a voluntary compliance
7 program created in consultation with licensed marijuana businesses
8 and their employees. The voluntary compliance program must include
9 recommendations on abating violations of this chapter and rules
10 adopted under this chapter.

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

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

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

21 (2) Compound or convert marijuana products from marijuana grown
22 by a licensed marijuana producer, as specified by the board by rule.
23 This section does not authorize compounding or converting hemp into
24 cannabinoids that may be impairing for creation of marijuana products
25 from hemp, except as authorized under RCW 69.50.326;

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

30 ((3)) (4) Delivery, distribution, and sale of useable marijuana
31 or marijuana-infused products to a marijuana retailer validly
32 licensed under chapter 3, Laws of 2013; and

33 ((4)) (5) Delivery, distribution, and sale of useable
34 marijuana, marijuana concentrates, or marijuana-infused products to a
35 federally recognized Indian tribe as permitted under an agreement
36 between the state and the tribe entered into under RCW 43.06.490.

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

1 (1) (~~(1)~~) Except as authorized under section 3 of this act and
2 RCW 69.50.326, it is an unfair or deceptive practice under RCW
3 19.86.020 for any person or entity to distribute, dispense,
4 manufacture, display for sale, offer for sale, attempt to sell, or
5 sell to a purchaser any product that contains any amount of any
6 synthetic cannabinoid. The legislature finds that practices covered
7 by this section are matters vitally affecting the public interest for
8 the purpose of applying the consumer protection act, chapter 19.86
9 RCW. Violations of this section are not reasonable in relation to the
10 development and preservation of business.

11 (2) (~~("Synthetic")~~) For the purposes of this section, "synthetic
12 cannabinoid" includes any chemical compound identified in RCW
13 69.50.204(c)(30) or by the pharmacy quality assurance commission
14 under RCW 69.50.201.

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

17 (1) A medical marijuana endorsement to a marijuana retail license
18 is hereby established to permit a marijuana retailer to sell
19 marijuana for medical use to qualifying patients and designated
20 providers. This endorsement also permits such retailers to provide
21 marijuana at no charge, at their discretion, to qualifying patients
22 and designated providers.

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

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

26 (a) Not authorize the medical use of marijuana for qualifying
27 patients at the retail outlet or permit health care professionals to
28 authorize the medical use of marijuana for qualifying patients at the
29 retail outlet;

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

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

35 (d) Demonstrate the ability to enter qualifying patients and
36 designated providers in the medical marijuana authorization database
37 established in RCW 69.51A.230 and issue recognition cards and agree
38 to enter qualifying patients and designated providers into the

1 database and issue recognition cards in compliance with department
2 standards;

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

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

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

16 (a) THC concentration, CBD concentration, or low THC, high CBD
17 ratios appropriate for marijuana concentrates, useable marijuana, or
18 marijuana-infused products sold to qualifying patients or designated
19 providers;

20 (b) Labeling requirements including that the labels attached to
21 marijuana concentrates, useable marijuana, or marijuana-infused
22 products contain THC concentration, CBD concentration, and THC to CBD
23 ratios;

24 (c) Other product requirements, including any additional mold,
25 fungus, or pesticide testing requirements, or limitations to the
26 types of solvents that may be used in marijuana processing that the
27 department deems necessary to address the medical needs of qualifying
28 patients;

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

31 (e) Training requirements for employees.

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

37 (6) A marijuana retailer holding an endorsement to sell marijuana
38 to qualifying patients or designated providers must train its
39 employees on:

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

4 (b) Recognition of valid recognition cards; and

5 (c) Recognition of strains, varieties, THC concentration, CBD
6 concentration, and THC to CBD ratios of marijuana concentrates,
7 useable marijuana, and marijuana-infused products, available for sale
8 when assisting qualifying patients and designated providers at the
9 retail outlet.

10 **Sec. 10.** RCW 82.08.9998 and 2019 c 393 s 4 are each amended to
11 read as follows:

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

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

22 (b) Sales of products containing THC with a THC concentration of
23 0.3 percent or less to qualifying patients or designated providers
24 who have been issued recognition cards by marijuana retailers with
25 medical marijuana endorsements;

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

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

34 (e)(i) Marijuana, marijuana concentrates, useable marijuana,
35 marijuana-infused products, or products containing THC with a THC
36 concentration of 0.3 percent or less produced by a cooperative and
37 provided to its members; and

38 (ii) Any nonmonetary resources and labor contributed by an
39 individual member of the cooperative in which the individual is a

1 member. However, nothing in this subsection (1)(e) may be construed
2 to exempt the individual members of a cooperative from the tax
3 imposed in RCW 82.08.020 on any purchase of property or services
4 contributed to the cooperative.

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

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

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

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

14 (b) "Marijuana retailer with a medical marijuana endorsement"
15 means a marijuana retailer permitted under RCW 69.50.375 to sell
16 marijuana for medical use to qualifying patients and designated
17 providers.

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

22 (d) "THC concentration," "marijuana," "marijuana concentrates,"
23 "useable marijuana," "marijuana retailer," and "marijuana-infused
24 products" have the same meanings as provided in RCW 69.50.101 and the
25 terms "qualifying patients," "designated providers," and "recognition
26 card" have the same meaning as provided in RCW 69.51A.010.

27 **Sec. 11.** RCW 82.12.9998 and 2019 c 393 s 5 are each amended to
28 read as follows:

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

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

1 (b) The use of products containing THC with a THC concentration
2 of 0.3 percent or less by qualifying patients or designated providers
3 who have been issued recognition cards and have obtained such
4 products from a marijuana retailer with a medical marijuana
5 endorsement.

6 (c)(i) Marijuana retailers with a medical marijuana endorsement
7 with respect to:

8 (A) Marijuana concentrates, useable marijuana, or marijuana-
9 infused products; or

10 (B) Products containing THC with a THC concentration of 0.3
11 percent or less;

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

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

23 (e) Health care professionals with respect to the use of products
24 containing THC with a THC concentration of 0.3 percent or less
25 provided at no charge by the health care professionals under RCW
26 69.51A.280. Each health care professional providing such products at
27 no charge must maintain information establishing eligibility for this
28 exemption in the form and manner required by the department.

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

33 (g) The use of:

34 (i) Marijuana, marijuana concentrates, useable marijuana,
35 marijuana-infused products, or products containing THC with a THC
36 concentration of 0.3 percent or less, by a cooperative and its
37 members, when produced by the cooperative; and

38 (ii) Any nonmonetary resources and labor by a cooperative when
39 contributed by its members. However, nothing in this subsection
40 (1)(g) may be construed to exempt the individual members of a

1 cooperative from the tax imposed in RCW 82.12.020 on the use of any
2 property or services purchased by the member and contributed to the
3 cooperative.

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

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

7 Upon publication of a notice of a proposed rule under RCW
8 34.05.320 related to cannabinoids that may be impairing or
9 synthetically derived cannabinoids, the board shall notify the chairs
10 and ranking minority members of the house of representatives commerce
11 and gaming committee and of the senate labor, commerce, and tribal
12 affairs committee, and provide them with the information in RCW
13 34.05.320(1). A chair or a ranking minority member may, if either
14 deems appropriate, recommend a review of the proposed rule to the
15 joint administrative rules review committee as provided in chapter
16 34.05 RCW.

17 NEW SECTION. **Sec. 13.** 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 \$50 for licenses
21 identified in this section upon initial application and annual
22 renewal of the licenses.

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

26 (a) Off-premises beer and wine retailers licensed under RCW
27 66.24.360. However, licensees holding a spirits retailer license
28 under RCW 66.24.630 or a combination spirits, beer, and wine license
29 under RCW 66.24.035 are exempt from the license fee surcharge
30 established in this section;

31 (b) Any vapor product licensee holding a license issued under RCW
32 70.345.030 who conducts any retail sales of vapor products; and

33 (c) Any entity licensed under chapter 82.24 or 82.26 RCW to sell
34 cigarettes, tobacco, and other tobacco products at retail.

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

1 (4) Revenue collected under the license issuance and renewal
2 surcharge authorized under this section must be used by the board
3 solely to conduct enforcement operations regarding products
4 containing cannabinoids that may be impairing or are marketed as
5 impairing, including, but not limited to, products containing delta-8
6 THC, and not authorized for sale under this chapter.

7 (5) For purposes of this section, "enforcement operations"
8 includes efforts to attain compliance, prevent noncompliance, and the
9 removal of products containing cannabinoids that may be impairing and
10 that are not authorized for sale under this chapter.

11 (6) This section expires July 1, 2024.

12 **Sec. 14.** RCW 66.24.360 and 2017 c 96 s 2 are each amended to
13 read as follows:

14 (1) There is a grocery store license to sell wine and/or beer,
15 including without limitation strong beer at retail in original
16 containers, not to be consumed upon the premises where sold.

17 (2) There is a wine retailer reseller endorsement of a grocery
18 store license, to sell wine at retail in original containers to
19 retailers licensed to sell wine for consumption on the premises, for
20 resale at their licensed premises according to the terms of the
21 license. However, no single sale may exceed twenty-four liters,
22 unless the sale is made by a licensee that was a contract liquor
23 store manager of a contract-operated liquor store at the location
24 from which such sales are made. For the purposes of this title, a
25 grocery store license is a retail license, and a sale by a grocery
26 store licensee with a reseller endorsement is a retail sale only if
27 not for resale.

28 (3) Licensees obtaining a written endorsement from the board may
29 also sell malt liquor in kegs or other containers capable of holding
30 less than five and one-half gallons of liquid.

31 (4) The annual fee for the grocery store license is one hundred
32 fifty dollars, plus any temporary license fee surcharge that may
33 apply under section 13 of this act, for each store.

34 (5) The annual fee for the wine retailer reseller endorsement is
35 one hundred sixty-six dollars for each store.

36 (6) (a) Upon approval by the board, a grocery store licensee with
37 revenues derived from beer and/or wine sales exceeding fifty percent
38 of total revenues or that maintains an alcohol inventory of not less
39 than fifteen thousand dollars may also receive an endorsement to

1 permit the sale of beer and cider, as defined in RCW 66.24.210(6), in
2 a sanitary container brought to the premises by the purchaser, or
3 provided by the licensee or manufacturer, and filled at the tap by
4 the licensee at the time of sale by an employee of the licensee
5 holding a class 12 alcohol server permit.

6 (b) Pursuant to RCW 74.08.580(1)(f), a person may not use an
7 electronic benefit transfer card for the purchase of any product
8 authorized for sale under this section.

9 (c) The board may, by rule, establish fees to be paid by
10 licensees receiving the endorsement authorized under this subsection
11 (6), as necessary to cover the costs of implementing and enforcing
12 the provisions of this subsection (6).

13 (7) The board must issue a restricted grocery store license
14 authorizing the licensee to sell beer and only table wine, if the
15 board finds upon issuance or renewal of the license that the sale of
16 strong beer or fortified wine would be against the public interest.
17 In determining the public interest, the board must consider at least
18 the following factors:

19 (a) The likelihood that the applicant will sell strong beer or
20 fortified wine to persons who are intoxicated;

21 (b) Law enforcement problems in the vicinity of the applicant's
22 establishment that may arise from persons purchasing strong beer or
23 fortified wine at the establishment; and

24 (c) Whether the sale of strong beer or fortified wine would be
25 detrimental to or inconsistent with a government-operated or funded
26 alcohol treatment or detoxification program in the area.

27 If the board receives no evidence or objection that the sale of
28 strong beer or fortified wine would be against the public interest,
29 it must issue or renew the license without restriction, as
30 applicable. The burden of establishing that the sale of strong beer
31 or fortified wine by the licensee would be against the public
32 interest is on those persons objecting.

33 (8) Licensees holding a grocery store license must maintain a
34 minimum three thousand dollar inventory of food products for human
35 consumption, not including pop, beer, strong beer, or wine.

36 (9) A grocery store licensee with a wine retailer reseller
37 endorsement may accept delivery of wine at its licensed premises or
38 at one or more warehouse facilities registered with the board, which
39 facilities may also warehouse and distribute nonliquor items, and
40 from which it may deliver to its own licensed premises and, pursuant

1 to sales permitted by this title, to other licensed premises, to
2 other registered facilities, or to lawful purchasers outside the
3 state. Facilities may be registered and utilized by associations,
4 cooperatives, or comparable groups of grocery store licensees.

5 (10) Upon approval by the board, the grocery store licensee may
6 also receive an endorsement to permit the international export of
7 beer, strong beer, and wine.

8 (a) Any beer, strong beer, or wine sold under this endorsement
9 must have been purchased from a licensed beer or wine distributor
10 licensed to do business within the state of Washington.

11 (b) Any beer, strong beer, and wine sold under this endorsement
12 must be intended for consumption outside the state of Washington and
13 the United States and appropriate records must be maintained by the
14 licensee.

15 (c) Any beer, strong beer, or wine sold under this endorsement
16 must be sold at a price no less than the acquisition price paid by
17 the holder of the license.

18 (d) The annual cost of this endorsement is five hundred dollars
19 and is in addition to the license fees paid by the licensee for a
20 grocery store license.

21 (11) A grocery store licensee holding a snack bar license under
22 RCW 66.24.350 may receive an endorsement to allow the sale of
23 confections containing more than one percent but not more than ten
24 percent alcohol by weight to persons twenty-one years of age or
25 older.

26 (12) The board may adopt rules to implement this section.

27 (13) Nothing in this section limits the authority of the board to
28 regulate the sale of beer or cider or container sizes under rules
29 adopted pursuant to RCW 66.08.030.

30 (14) Any endorsement issued pursuant to this section or RCW
31 66.24.363 may be issued to a qualified combination spirits, beer, and
32 wine licensee in accordance with RCW 66.24.035(10).

33 (15)(a) A grocery store licensee that also holds a spirits retail
34 license under RCW 66.24.630 may, upon board approval and pursuant to
35 board rules, transition to a combination spirits, beer, and wine
36 license pursuant to RCW 66.24.035.

37 (b) An applicant that would qualify for a grocery store license
38 under this section and a spirits retail license under RCW 66.24.630
39 may apply for a single license pursuant to RCW 66.24.035 instead of

1 applying for a grocery store license under this section in addition
2 to a spirits retail license under ((~~to~~)) RCW 66.24.630.

3 **Sec. 15.** RCW 70.345.050 and 2016 sp.s. c 38 s 8 are each amended
4 to read as follows:

5 (1) A fee of one hundred seventy-five dollars, plus any temporary
6 license fee surcharge that may apply under section 13 of this act,
7 must accompany each vapor product retailer's license application or
8 license renewal application under RCW 70.345.020. A separate license
9 is required for each separate location at which the retailer
10 operates.

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

15 **Sec. 16.** RCW 82.24.510 and 2019 c 445 s 203 are each amended to
16 read as follows:

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

18 (a) A wholesaler's license.

19 (b) A retailer's license.

20 (2) Application for the licenses must be made through the
21 business licensing system under chapter 19.02 RCW. The board must
22 adopt rules regarding the regulation of the licenses. The board may
23 refrain from the issuance of any license under this chapter if the
24 board has reasonable cause to believe that the applicant has
25 willfully withheld information requested for the purpose of
26 determining the eligibility of the applicant to receive a license, or
27 if the board has reasonable cause to believe that information
28 submitted in the application is false or misleading or is not made in
29 good faith. In addition, for the purpose of reviewing an application
30 for a wholesaler's license or retailer's license and for considering
31 the denial, suspension, or revocation of any such license, the board
32 may consider any prior criminal conduct of the applicant, including
33 an administrative violation history record with the board and a
34 criminal history record information check within the previous five
35 years, in any state, tribal, or federal jurisdiction in the United
36 States, its territories, or possessions, and the provisions of RCW
37 9.95.240 and chapter 9.96A RCW do not apply to such cases. The board

1 may, in its discretion, grant or refuse the wholesaler's license or
2 retailer's license, subject to the provisions of RCW 82.24.550.

3 (3) No person may qualify for a wholesaler's license or a
4 retailer's license under this section without first undergoing a
5 criminal background check. The background check must be performed by
6 the board and must disclose any criminal conduct within the previous
7 five years in any state, tribal, or federal jurisdiction in the
8 United States, its territories, or possessions. A person who
9 possesses a valid license on July 22, 2001, is subject to this
10 subsection and subsection (2) of this section beginning on the date
11 of the person's business license expiration under chapter 19.02 RCW,
12 and thereafter. If the applicant or licensee also has a license
13 issued under chapter 66.24, 82.26, or 70.345 RCW, the background
14 check done under the authority of chapter 66.24, 82.26, or 70.345 RCW
15 satisfies the requirements of this section.

16 (4) Each such license expires on the business license expiration
17 date, and each such license must be continued annually if the
18 licensee has paid the required fee, plus any temporary license fee
19 surcharge that may apply under section 13 of this act for retailers,
20 and complied with all the provisions of this chapter and the rules of
21 the board made pursuant thereto.

22 (5) Each license and any other evidence of the license that the
23 board requires must be exhibited in each place of business for which
24 it is issued and in the manner required for the display of a business
25 license.

26 **Sec. 17.** RCW 82.24.530 and 2016 sp.s. c 38 s 9 are each amended
27 to read as follows:

28 (1) A fee of one hundred seventy-five dollars, plus any temporary
29 license fee surcharge that may apply under section 13 of this act,
30 must accompany each retailer's license application or license renewal
31 application. A separate license is required for each separate
32 location at which the retailer operates. A fee of thirty additional
33 dollars for each vending machine must accompany each application or
34 renewal for a license issued to a retail dealer operating a cigarette
35 vending machine. An additional fee of ninety-three dollars must
36 accompany each application or renewal for a license issued to a
37 retail dealer operating a cigarette-making machine.

38 (2) A retailer applying for, or renewing, both a retailer's
39 license under RCW 82.24.510 and a vapor products retailer's license

1 under RCW 70.345.020 may pay a combined application fee of two
2 hundred fifty dollars for both licenses, plus any temporary license
3 fee surcharge that may apply under section 13 of this act.

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

6 (1) A fee of one hundred seventy-five dollars, plus any temporary
7 license fee surcharge that may apply under section 13 of this act,
8 shall accompany each retailer's license application or license
9 renewal application. A separate license is required for each separate
10 location at which the retailer operates.

11 (2) The fee imposed under subsection (1) of this section does not
12 apply to any person applying for a retailer's license or for renewal
13 of a retailer's license if the person has a valid retailer's license
14 under RCW 82.24.510 for the place of business associated with the
15 retailer's license application or renewal application.

16 (3) A retailer applying for, or renewing, both a retailer's
17 license under (~~RCW 82.26.170~~) this section and a vapor products
18 retailer's license under RCW 70.345.020 may pay a combined
19 application fee of two hundred fifty dollars for both licenses, plus
20 any temporary license fee surcharge that may apply under section 13
21 of this act.

22 NEW SECTION. **Sec. 19.** If any provision of this act or its
23 application to any person or circumstance is held invalid, the
24 remainder of the act or the application of the provision to other
25 persons or circumstances is not affected.

26 NEW SECTION. **Sec. 20.** This act takes effect July 1, 2022.

27 NEW SECTION. **Sec. 21.** Sections 14 through 18 of this act expire
28 June 30, 2024.

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