
ENGROSSED SUBSTITUTE SENATE BILL 6542

State of Washington

63rd Legislature

2014 Regular Session

By Senate Ways & Means (originally sponsored by Senator Kohl-Welles)

READ FIRST TIME 03/03/14.

1 AN ACT Relating to establishing the state cannabis industry
2 coordinating committee; creating new sections; and providing an
3 expiration date.

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

5 NEW SECTION. **Sec. 1.** The legislature finds that voter approval of
6 Initiative Measure No. 502 established a system for licensing and
7 regulating cannabis production, processing, and sale. The legislature
8 further finds that this new industry is projected to create new jobs
9 and generate revenues to the state estimated as high as \$1,943,936,000
10 over five fiscal years. The legislature also finds that qualifying
11 patients have additional protections under chapter 69.51A RCW. The
12 legislature further finds there is potential interest to expand into
13 other areas, such as industrial hemp, food processing, farmers'
14 markets, and banking. As such, given a potentially evolving demand and
15 market in new areas, it is the intent of the legislature to create a
16 state cannabis industry coordinating committee to promote and further
17 develop the industry while remaining in compliance with federal
18 guidelines. It is the intention of the legislature that the committee

1 will coordinate and monitor new developments and their impact on
2 Washington state, and to make recommendations to the legislature on
3 establishment of a state comprehensive plan.

4 The legislature also finds that, while the state liquor control
5 board is working to implement the regulatory structure enacted by
6 Initiative Measure No. 502, additional issues need to be addressed.
7 The use of medical marijuana outside of this regulatory structure, the
8 process for medical authorizations, the establishment of medical
9 dispensaries, and other related issues should be addressed by a
10 statewide committee that would submit its policy recommendations for
11 consideration by the 2015 legislature.

12 NEW SECTION. **Sec. 2.** (1) A state cannabis industry coordinating
13 committee is established, with members as provided in this subsection.

14 (a) The president of the senate shall appoint one member from each
15 of the two largest caucuses of the senate.

16 (b) The speaker of the house of representatives shall appoint one
17 member from each of the two largest caucuses of the house of
18 representatives.

19 (c) The governor shall appoint members representing the following
20 state agencies:

21 (i) The liquor control board;

22 (ii) The department of health;

23 (iii) The department of commerce;

24 (iv) The department of revenue;

25 (v) The office of the treasurer;

26 (vi) The department of agriculture; and

27 (vii) The department of financial institutions.

28 (d) The governor shall appoint seven members representing medical
29 marijuana patients as follows:

30 (i) A health care professional with experience authorizing
31 qualifying patients for the medical use of marijuana;

32 (ii) Two qualifying patients or their designated providers;

33 (iii) A medical marijuana advocate;

34 (iv) A medical marijuana producer;

35 (v) A medical marijuana processor; and

36 (vi) A medical marijuana retailer or a person with experience
37 providing marijuana to or consulting with qualifying patients.

1 (e) One representative each from the association of Washington
2 cities and the Washington state association of counties.

3 (f) The governor shall appoint up to nine industry stakeholders
4 representing established and emerging markets for the use of cannabis
5 including, but not limited to, the various commercial uses of
6 industrial hemp, food processing, farmers' markets, tourism, banking,
7 and other uses that may be relevant.

8 (2) The committee must appoint its cochairs, one of which shall be
9 from among its legislative membership. The committee shall make rules
10 for orderly procedure and, in addition to the subcommittee required in
11 subsection (3) of this section, the committee may form subcommittees to
12 accomplish its work.

13 (3) The committee shall appoint a medical marijuana subcommittee
14 for the purpose of reviewing and making recommendations on the
15 following issues:

16 (a) Whether RCW 69.50.331(8) prevents the siting of marijuana
17 retailers who hold medical marijuana endorsements and what may be done
18 to assist the state and local governments in siting these retail
19 outlets;

20 (b) Whether there is a need for retail outlets that are licensed to
21 only sell medical marijuana to qualifying patients or designated
22 providers;

23 (c) Whether the use of valid documentation should be permitted as
24 an alternative to registering with the medical marijuana registry;

25 (d) Whether a marijuana producer or marijuana processor endorsement
26 should be established to permit a producer or processor to sell
27 directly to qualifying patients and designated providers and whether
28 these licensees are producing marijuana concentrates, useable
29 marijuana, and marijuana-infused products that are meeting the needs of
30 medical marijuana patients;

31 (e) Whether posttraumatic stress disorder should be added to
32 terminal or debilitating medical conditions that qualify a person for
33 the medical use of marijuana;

34 (f) Whether a different method of taxation should be established
35 for those products designated by the liquor control board as being
36 beneficial for qualifying patients and designated providers. This
37 includes whether these products should be taxed at a different rate

1 than products intended for nonmedical use or whether they should be
2 provided with tax exemptions;

3 (g) Options for funding the medical marijuana registry; and

4 (h) Any other matters pertinent to promoting access to safe and
5 affordable marijuana for medical use by qualifying patients.

6 (4) The committee has the following powers and duties:

7 (a) Developing a state comprehensive plan that identifies and
8 coordinates the various business opportunities within the cannabis
9 industry, including potential opportunities;

10 (b) Recommending a state financial system that best implements the
11 state's marijuana marketplace while maximizing public safety, accurate
12 tax accounting, and compliance with the United States attorney
13 general's guidance regarding marijuana enforcement and guidance
14 regarding marijuana-related financial crimes on implementation of
15 Initiative Measure No. 502;

16 (c) Developing a method for monitoring and assessing the economic
17 returns the cannabis industry delivers to the state;

18 (d) Examining and reporting on any changes in federal law that may
19 impact the legal operations of the cannabis industry in the state;

20 (e) Making recommendations for a statewide cannabis industry
21 coordinator;

22 (f) Recommending options for the distribution of tax revenue from
23 the sale of marijuana; and

24 (g) Making recommendations specific to the medical use of marijuana
25 as described in subsection (3) of this section.

26 (5) The committee shall provide specific preliminary
27 recommendations to the appropriate committees of the legislature by
28 December 15, 2014, and a final report by January 10, 2016.

29 (6) Staff support for the committee must be provided by senate
30 committee services, the house of representatives office of program
31 research, and the represented state agencies.

32 (7) Legislative members of the committee must serve without
33 additional compensation, but must be reimbursed for travel expenses in
34 accordance with RCW 44.04.120. Nonlegislative members, except those
35 representing an employer or organization, are entitled to be reimbursed
36 for travel expenses in accordance with RCW 43.03.050 and 43.03.060.

37 (8) The expenses of the committee must be paid jointly by the
38 senate and the house of representatives. Committee expenditures are

1 subject to approval by the senate facilities and operations committee
2 and the house of representatives executive rules committee, or their
3 successor committees.

4 (9) Meetings of the committee are subject to the open public
5 meetings act, chapter 42.30 RCW.

6 (10) This section expires January 31, 2016.

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