AN ACT Relating to funding agricultural production research through the life sciences discovery fund with certain marijuana-related revenues; amending RCW 84.36.070 and 43.350.070; adding a new section to chapter 84.52 RCW; and creating a new section.

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

NEW SECTION. Sec. 1. The legislature finds that in 2012 Washington voters passed Initiative Measure No. 502, which legalized the limited possession of marijuana by persons aged twenty-one and over, and directed the establishment of a system, overseen by the Washington state liquor control board, to license, regulate, and tax the production, processing, and wholesale and retail sales of marijuana. The legislature further finds that the only other state to have legalized provisions related to marijuana is Colorado. Therefore, the legislature intends to enable Washington to capitalize on its unique position by: Providing the opportunity to register, and thus benefit from, marijuana-related trademarks, trade names, brand names, patents, and copyrights; and directing the resulting revenue towards agricultural production research funded through the life sciences discovery fund.
NEW SECTION. Sec. 2. A new section is added to chapter 84.52 RCW to read as follows:

(1) In each year, the state must levy for collection in the following year a tax of three dollars and sixty cents per thousand dollars of assessed value upon the assessed valuation of all trademarks, trade names, brand names, patents, and copyrights that are related to marijuana.

(2) The department may adopt rules for determining the true and fair value of such marijuana-related trademarks, trade names, brand names, patents, and copyrights, and for implementing this section.

(3) The tax levied on marijuana-related trademarks, trade names, brand names, patents, and copyrights must be deposited into the life sciences discovery fund established under RCW 43.350.070.

(4) Chapter 84.55 RCW does not apply to the tax authorized in this section.

Sec. 3. RCW 84.36.070 and 1997 c 181 s 1 are each amended to read as follows:

(1) Except as provided otherwise in section 2 of this act, intangible personal property is exempt from ad valorem taxation.

(2) "Intangible personal property" means:

(a) All moneys and credits including mortgages, notes, accounts, certificates of deposit, tax certificates, judgments, state, county and municipal bonds and warrants and bonds and warrants of other taxing districts, bonds of the United States and of foreign countries or political subdivisions thereof and the bonds, stocks, or shares of private corporations;

(b) Private nongovernmental personal service contracts, private nongovernmental athletic or sports franchises, or private nongovernmental athletic or sports agreements provided that the contracts, franchises, or agreements do not pertain to the use or possession of tangible personal or real property or to any interest in tangible personal or real property; and

(c) Other intangible personal property such as trademarks, trade names, brand names, patents, copyrights, trade secrets, franchise agreements, licenses, permits, core deposits of financial institutions, noncompete agreements, customer lists, patient lists, favorable
contracts, favorable financing agreements, reputation, exceptional
management, prestige, good name, or integrity of a business.

(3) "Intangible personal property" does not include zoning,
location, view, geographic features, easements, covenants, proximity to
raw materials, condition of surrounding property, proximity to markets,
the availability of a skilled workforce, and other characteristics or
attributes of property.

(4) This section does not preclude the use of, or permit a
departure from, generally accepted appraisal practices and the
appropriate application thereof in the valuation of real and tangible
personal property, including the appropriate consideration of licenses,
permits, and franchises granted by a government agency that affect the
use of the property.

Sec. 4. RCW 43.350.070 and 2011 c 5 s 916 are each amended to read
as follows:

The life sciences discovery fund is created in the custody of the
state treasurer. Only the board or the board's designee may authorize
expenditures from the fund. Expenditures from the fund may be made
only for purposes of this chapter. Administrative expenses of the
authority, including staff support, may be paid only from the fund.
Revenues to the fund consist of transfers made by the legislature from
strategic contribution payments deposited in the tobacco settlement
account under RCW 43.79.480, moneys received pursuant to contribution
agreements entered into pursuant to RCW 43.350.030, moneys received
from gifts, grants, and bequests, and interest earned on the fund.
((During the 2009-2011 fiscal biennium, the legislature may transfer to
other state funds or accounts such amounts as represent the excess
balance of the life sciences discovery fund.)) The funds received from
taxes collected under section 2 of this act may only be used to fund
agricultural production-based research that meets all other grant award
requirements as determined by the authority.

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