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SENATE BILL 5298

State of Washington 66th Legislature 2019 Regular Session

By Senators Rivers, Palumbo, and Wellman

Read first time 01/17/19. Referred to Committee on Labor & Commerce.

- AN ACT Relating to labeling of marijuana products; amending RCW 1
- 69.50.345 and 69.50.346; and creating a new section.
- BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON: 3
- The legislature intends to allow 4 NEW SECTION. Sec. 1. additional information on the 5 labels and labeling of marijuana 6 products to assist consumers in making purchases of these products.
 - The legislature declares that labels and labeling should not make any disease claim indicating the product is intended for use in the diagnosis, treatment, cure, or prevention of any disease.
- The legislature recognizes that it may be useful for a label or labeling to describe the intended role of a marijuana product that contains nutrients or other dietary ingredients, including herbs and other botanicals, to maintain a structure or function of the body, or characterize the documented mechanism by which the product acts to 15 maintain such structure or function, provided that the claim is substantiated as truthful and not misleading.
- Sec. 2. RCW 69.50.345 and 2018 c 43 s 2 are each amended to read 17 18 as follows:

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The state liquor and cannabis board, subject to the provisions of this chapter, must adopt rules that establish the procedures and criteria necessary to implement the following:

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- (1) Licensing of marijuana producers, marijuana processors, and marijuana retailers, including prescribing forms and establishing application, reinstatement, and renewal fees.
- (a) Application forms for marijuana producers must request the applicant to state whether the applicant intends to produce marijuana for sale by marijuana retailers holding medical marijuana endorsements and the amount of or percentage of canopy the applicant intends to commit to growing plants determined by the department under RCW 69.50.375 to be of a THC concentration, CBD concentration, or THC to CBD ratio appropriate for marijuana concentrates, useable marijuana, or marijuana-infused products sold to qualifying patients.
- (b) The state liquor and cannabis board must reconsider and increase limits on the amount of square feet permitted to be in production on July 24, 2015, and increase the percentage production space for those marijuana producers who intend to grow plants for marijuana retailers holding medical marijuana endorsements if the marijuana producer designates the increased production space to plants determined by the department under RCW 69.50.375 to be of a THC concentration, CBD concentration, or THC to CBD ratio appropriate for marijuana concentrates, useable marijuana, or marijuana-infused products to be sold to qualifying patients. If current marijuana producers do not use all the increased production space, the state liquor and cannabis board may reopen the license period for new marijuana producer license applicants but only to those marijuana producers who agree to grow plants for marijuana retailers holding medical marijuana endorsements. Priority in licensing must be given to marijuana producer license applicants who have an application pending on July 24, 2015, but who are not yet licensed and then to new marijuana producer license applicants. After January 1, 2017, any reconsideration of the limits on the amount of square feet permitted to be in production to meet the medical needs of qualifying patients must consider information contained in the medical marijuana authorization database established in RCW 69.51A.230;
- (2) Determining, in consultation with the office of financial management, the maximum number of retail outlets that may be licensed in each county, taking into consideration:
 - (a) Population distribution;

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(b) Security and safety issues;

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- (c) The provision of adequate access to licensed sources of marijuana concentrates, useable marijuana, and marijuana-infused products to discourage purchases from the illegal market; and
- The number of retail outlets holding medical marijuana 5 6 endorsements necessary to meet the medical needs of qualifying patients. The state liquor and cannabis board must reconsider and 7 increase the maximum number of retail outlets it established before 8 July 24, 2015, and allow for a new license application period and a greater number of retail outlets to be permitted in order to 10 11 accommodate the medical needs of qualifying patients and designated 12 providers. After January 1, 2017, any reconsideration of the maximum number of retail outlets needed to meet the medical needs of 13 qualifying patients must consider information contained in the 14 medical marijuana authorization database established in 15 RCW 16 69.51A.230;
 - (3) Determining the maximum quantity of marijuana a marijuana producer may have on the premises of a licensed location at any time without violating Washington state law;
 - (4) Determining the maximum quantities of marijuana, marijuana concentrates, useable marijuana, and marijuana-infused products a marijuana processor may have on the premises of a licensed location at any time without violating Washington state law;
 - (5) Determining the maximum quantities of marijuana concentrates, useable marijuana, and marijuana-infused products a marijuana retailer may have on the premises of a retail outlet at any time without violating Washington state law;
 - (6) In making the determinations required by this section, the state liquor and cannabis board shall take into consideration:
 - (a) Security and safety issues;
 - (b) The provision of adequate access to licensed sources of marijuana, marijuana concentrates, useable marijuana, and marijuanainfused products to discourage purchases from the illegal market; and
 - (c) Economies of scale, and their impact on licensees' ability to both comply with regulatory requirements and undercut illegal market prices;
- (7) Determining the nature, form, and capacity of all containers 37 to be used by licensees to contain marijuana, marijuana concentrates, 38 39 useable marijuana, and marijuana-infused products((, and their 40 labeling requirements, to include but not be limited to:

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- (a) The business or trade name and Washington state unified business identifier number of the licensees that produced and processed the marijuana, marijuana concentrates, useable marijuana, or marijuana-infused product;
- (b) Lot numbers of the marijuana, marijuana concentrates, useable marijuana, or marijuana-infused product;
- (c) THC concentration and CBD concentration of the marijuana, marijuana concentrates, useable marijuana, or marijuana-infused product;
- (d) Medically and scientifically accurate information about the health and safety risks posed by marijuana use; and
- 12 (e) Language required by RCW 69.04.480));

- (8) In consultation with the department of agriculture and the department, establishing classes of marijuana, marijuana concentrates, useable marijuana, and marijuana-infused products according to grade, condition, cannabinoid profile, THC concentration, CBD concentration, or other qualitative measurements deemed appropriate by the state liquor and cannabis board;
- (9) Establishing reasonable time, place, and manner restrictions and requirements regarding advertising of marijuana, marijuana concentrates, useable marijuana, and marijuana-infused products that are not inconsistent with the provisions of this chapter, taking into consideration:
- (a) Federal laws relating to marijuana that are applicable within Washington state;
 - (b) Minimizing exposure of people under twenty-one years of age to the advertising;
 - (c) The inclusion of medically and scientifically accurate information about the health and safety risks posed by marijuana use in the advertising; and
- (d) Ensuring that retail outlets with medical marijuana endorsements may advertise themselves as medical retail outlets;
 - (10) Specifying and regulating the time and periods when, and the manner, methods, and means by which, licensees shall transport and deliver marijuana, marijuana concentrates, useable marijuana, and marijuana-infused products within the state;
- (11) In consultation with the department and the department of agriculture, establishing accreditation requirements for testing laboratories used by licensees to demonstrate compliance with standards adopted by the state liquor and cannabis board, and

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- prescribing methods of producing, processing, and packaging marijuana, marijuana concentrates, useable marijuana, and marijuanainfused products; conditions of sanitation; and standards of
- 4 ingredients, quality, and identity of marijuana, marijuana
- 5 concentrates, useable marijuana, and marijuana-infused products
- 6 produced, processed, packaged, or sold by licensees;
- 7 (12) Specifying procedures for identifying, seizing,
- 8 confiscating, destroying, and donating to law enforcement for
- 9 training purposes all marijuana, marijuana concentrates, useable
- 10 marijuana, and marijuana-infused products produced, processed,
- 11 packaged, labeled, or offered for sale in this state that do not
- 12 conform in all respects to the standards prescribed by this chapter
- or the rules of the state liquor and cannabis board.
- 14 Sec. 3. RCW 69.50.346 and 2018 c 43 s 1 are each amended to read
- 15 as follows:
- 16 <u>(1)</u> The label on a marijuana product container, including
- 17 <u>marijuana concentrates</u>, <u>useable marijuana</u>, <u>or marijuana-infused</u>
- 18 products, sold at retail((÷
- 19 $\frac{(1)}{(1)}$) <u>must include:</u>
- 20 <u>(a) The business or trade name and Washington state unified</u>
- 21 business identifier number of the marijuana producer and processor
- 22 ((that produced and processed the marijuana as required pursuant to
- 23 RCW 69.50.345(7); and
- 24 (2) Is));
- 25 (b) The lot numbers of the product;
- 26 (c) The THC concentration and CBD concentration of the product;
- 27 (d) Medically and scientifically accurate and reliable
- 28 information about the health and safety risks posed by marijuana use;
- 29 and
- 30 (e) Language required by RCW 69.04.480.
- 31 (2) (a) The product label and labeling may include a structure or
- 32 <u>function claim describing the intended role of a product to maintain</u>
- 33 the structure or any function of the body, or characterize the
- 34 documented mechanism by which the product acts to maintain such
- 35 structure or function, provided that the claim is substantiated as
- 36 truthful and not misleading.
- 37 (b) In the context of describing the product's intended role in
- 38 maintaining the structure or any function of the body, including the
- 39 documented mechanism by which a product acts to maintain bodily

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- structure or function, the label and labeling may include such terms
 as, but not limited to, "wellness," "well-being," "health,"
 "maintain," "support," "assist," "promote," and "relief," and
 derivatives of any such terms.
- 5 (c) A statement made under (a) and (b) of this subsection may not 6 claim to diagnose, mitigate, treat, cure, or prevent any disease.
 - (3) The labels and labeling may not be:
 - (a) False or misleading; or

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- 9 (b) Especially appealing to children.
- 10 <u>(4) The label is</u> not required to include the business or trade 11 name or Washington state unified business identifier number of, or 12 any information about, the marijuana retailer selling the marijuana 13 product.
- 14 (5) A marijuana product is not in violation of any Washington
 15 state law or rule of the Washington state liquor and cannabis board
 16 solely because its label or labeling contains directions or
 17 recommended conditions of use.

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