
SENATE BILL 5599

State of Washington

66th Legislature

2019 Regular Session

By Senators Hasegawa and Nguyen

Read first time 01/24/19. Referred to Committee on Labor & Commerce.

1 AN ACT Relating to marijuana businesses operated by a municipal
2 corporation, commission, or authority; and amending RCW 69.50.345.

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

4 **Sec. 1.** RCW 69.50.345 and 2018 c 43 s 2 are each amended to read
5 as follows:

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

9 (1) Licensing of marijuana producers, marijuana processors, and
10 marijuana retailers, including prescribing forms and establishing
11 application, reinstatement, and renewal fees.

12 (a) Application forms for marijuana producers must request the
13 applicant to state whether the applicant intends to produce marijuana
14 for sale by marijuana retailers holding medical marijuana
15 endorsements and the amount of or percentage of canopy the applicant
16 intends to commit to growing plants determined by the department
17 under RCW 69.50.375 to be of a THC concentration, CBD concentration,
18 or THC to CBD ratio appropriate for marijuana concentrates, useable
19 marijuana, or marijuana-infused products sold to qualifying patients.

20 (b) The state liquor and cannabis board must reconsider and
21 increase limits on the amount of square feet permitted to be in

1 production on July 24, 2015, and increase the percentage of
2 production space for those marijuana producers who intend to grow
3 plants for marijuana retailers holding medical marijuana endorsements
4 if the marijuana producer designates the increased production space
5 to plants determined by the department under RCW 69.50.375 to be of a
6 THC concentration, CBD concentration, or THC to CBD ratio appropriate
7 for marijuana concentrates, useable marijuana, or marijuana-infused
8 products to be sold to qualifying patients. If current marijuana
9 producers do not use all the increased production space, the state
10 liquor and cannabis board may reopen the license period for new
11 marijuana producer license applicants but only to those marijuana
12 producers who agree to grow plants for marijuana retailers holding
13 medical marijuana endorsements. Priority in licensing must be given
14 to marijuana producer license applicants who have an application
15 pending on July 24, 2015, but who are not yet licensed and then to
16 new marijuana producer license applicants. After January 1, 2017, any
17 reconsideration of the limits on the amount of square feet permitted
18 to be in production to meet the medical needs of qualifying patients
19 must consider information contained in the medical marijuana
20 authorization database established in RCW 69.51A.230;

21 (2) (a) Determining, in consultation with the office of financial
22 management's forecasting and research division, the maximum number of
23 retail outlets that may be licensed in each county, taking into
24 consideration:

25 ~~((a))~~ (i) Population distribution;

26 ~~((b))~~ (ii) Security and safety issues;

27 ~~((c))~~ (iii) The provision of adequate access to licensed
28 sources of marijuana concentrates, useable marijuana, and marijuana-
29 infused products to discourage purchases from the illegal market; and

30 ~~((d))~~ (iv) The number of retail outlets holding medical
31 marijuana endorsements necessary to meet the medical needs of
32 qualifying patients. ~~((The state liquor and cannabis board must
33 reconsider and increase the maximum number of retail outlets it
34 established before July 24, 2015, and allow for a new license
35 application period and a greater number of retail outlets to be
36 permitted in order to accommodate the medical needs of qualifying
37 patients and designated providers. After January 1, 2017,))~~ Any
38 reconsideration of the maximum number of retail outlets needed to
39 meet the medical needs of qualifying patients must consider
40 information contained in the medical marijuana authorization database

1 established in RCW 69.51A.230 and any additional data sources
2 necessary to estimate the size and scope of the medical market
3 demand;

4 (b) In addition to the retail outlets authorized under (a) of
5 this subsection, the liquor and cannabis board must issue a license
6 to any qualified applicant that is a municipal corporation,
7 commission, or authority created by a lawfully adopted ordinance or
8 resolution under RCW 35.21.730, if:

9 (i) There are no licensed marijuana retail licensees operating a
10 business within the boundaries of the county that created the
11 municipal corporation, commission, or authority, or within five miles
12 of the jurisdictional boundary of a city or town that created the
13 municipal corporation, commission, or authority; and

14 (ii) The county, city, or town that created the municipal
15 corporation, commission, or authority did not have a ban or
16 moratorium that prevented marijuana retail businesses from operating
17 within the local government's jurisdiction in the previous twelve
18 months before the formation of the municipal corporation, commission,
19 or authority;

20 (3) Determining the maximum quantity of marijuana a marijuana
21 producer may have on the premises of a licensed location at any time
22 without violating Washington state law;

23 (4) Determining the maximum quantities of marijuana, marijuana
24 concentrates, useable marijuana, and marijuana-infused products a
25 marijuana processor may have on the premises of a licensed location
26 at any time without violating Washington state law;

27 (5) Determining the maximum quantities of marijuana concentrates,
28 useable marijuana, and marijuana-infused products a marijuana
29 retailer may have on the premises of a retail outlet at any time
30 without violating Washington state law;

31 (6) In making the determinations required by this section, the
32 state liquor and cannabis board shall take into consideration:

33 (a) Security and safety issues;

34 (b) The provision of adequate access to licensed sources of
35 marijuana, marijuana concentrates, useable marijuana, and marijuana-
36 infused products to discourage purchases from the illegal market; and

37 (c) Economies of scale, and their impact on licensees' ability to
38 both comply with regulatory requirements and undercut illegal market
39 prices;

1 (7) Determining the nature, form, and capacity of all containers
2 to be used by licensees to contain marijuana, marijuana concentrates,
3 useable marijuana, and marijuana-infused products, and their labeling
4 requirements, to include but not be limited to:

5 (a) The business or trade name and Washington state unified
6 business identifier number of the licensees that produced and
7 processed the marijuana, marijuana concentrates, useable marijuana,
8 or marijuana-infused product;

9 (b) Lot numbers of the marijuana, marijuana concentrates, useable
10 marijuana, or marijuana-infused product;

11 (c) THC concentration and CBD concentration of the marijuana,
12 marijuana concentrates, useable marijuana, or marijuana-infused
13 product;

14 (d) Medically and scientifically accurate information about the
15 health and safety risks posed by marijuana use; and

16 (e) Language required by RCW 69.04.480;

17 (8) In consultation with the department of agriculture and the
18 department, establishing classes of marijuana, marijuana
19 concentrates, useable marijuana, and marijuana-infused products
20 according to grade, condition, cannabinoid profile, THC
21 concentration, CBD concentration, or other qualitative measurements
22 deemed appropriate by the state liquor and cannabis board;

23 (9) Establishing reasonable time, place, and manner restrictions
24 and requirements regarding advertising of marijuana, marijuana
25 concentrates, useable marijuana, and marijuana-infused products that
26 are not inconsistent with the provisions of this chapter, taking into
27 consideration:

28 (a) Federal laws relating to marijuana that are applicable within
29 Washington state;

30 (b) Minimizing exposure of people under twenty-one years of age
31 to the advertising;

32 (c) The inclusion of medically and scientifically accurate
33 information about the health and safety risks posed by marijuana use
34 in the advertising; and

35 (d) Ensuring that retail outlets with medical marijuana
36 endorsements may advertise themselves as medical retail outlets;

37 (10) Specifying and regulating the time and periods when, and the
38 manner, methods, and means by which, licensees shall transport and
39 deliver marijuana, marijuana concentrates, useable marijuana, and
40 marijuana-infused products within the state;

1 (11) In consultation with the department and the department of
2 agriculture, establishing accreditation requirements for testing
3 laboratories used by licensees to demonstrate compliance with
4 standards adopted by the state liquor and cannabis board, and
5 prescribing methods of producing, processing, and packaging
6 marijuana, marijuana concentrates, useable marijuana, and marijuana-
7 infused products; conditions of sanitation; and standards of
8 ingredients, quality, and identity of marijuana, marijuana
9 concentrates, useable marijuana, and marijuana-infused products
10 produced, processed, packaged, or sold by licensees;

11 (12) Specifying procedures for identifying, seizing,
12 confiscating, destroying, and donating to law enforcement for
13 training purposes all marijuana, marijuana concentrates, useable
14 marijuana, and marijuana-infused products produced, processed,
15 packaged, labeled, or offered for sale in this state that do not
16 conform in all respects to the standards prescribed by this chapter
17 or the rules of the state liquor and cannabis board.

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