



**Bill Title:** Addressing Provisions Concerning Marijuana

**Bill Number:** ESSB 5131

**Effective Date:** 7/23/17

**Amends:** RCW 69.50.325, 69.50.331, 69.50.372, 69.08.100, 69.50.366, 69.50.382, 69.51A.250, 69.50.357, 69.50.369, 69.50.4013; reenacting and amending RCW 69.50.101 and 42.56.270; adding new sections to chapter 15.120 RCW; adding a new section to chapter 69.51A TCW; adding a new section to chapter 69.50 RCW; adding a new chapter to Title 15 RCW; creating new sections; and prescribing penalties.

**Summary:**

This bill modifies marijuana provisions with regard to privileges for research licenses, local authority notifications, the retail licensing merit-based application process, transfers of plants and seeds, licensing agreements and contracts, advertising, and jurisdictional requirements.

- **Research licenses:**
  - Allowed to sell plants to licensed producers, which was previously prohibited.
- **Local authority notification:**
  - Requires the WSLCB to develop a marijuana retail license forfeiture process for businesses that license may be subject to forfeiture: (1) within the first 9 months of license issuance, or (2) during any period that the licensee is prevented from operating or opening the business due to local ban or moratorium. The WSLCB must require license forfeiture on or before 24 calendar months of license issuance if a marijuana retailer is not fully operational and open to the public, unless: (1) the WSLCB determines that circumstances out of the licensee's control are preventing the licensee from becoming fully operational, and (2) in the WSLCB's discretion, the circumstances warrant extending the forfeiture period beyond 24 calendar months. Rulemaking is required to develop the forfeiture process.
  - Adds port authorities and Indian tribes to the required local notifications for marijuana license applications and renewals.
  - Prohibits the WSLCB from issuing a marijuana business license for premises located within Indian country, including fee patent lands within a reservation of a federally recognized Indian tribe, without the consent of the tribe associated with the reservation or Indian country.
- **Retail licensing merit-based application process:**
  - Removes the merit-based prioritization process for retail licenses since medical marijuana has been incorporated into the regulated structure and all applications for new licenses associated with that have already been received and prioritized.
- **Transfers of marijuana, plants/clones, and seeds:**
  - Authorizes the private exchange of marijuana between individuals so long as it's not for consideration of any kind (including barter, trade, selling, etc.) and under the possession limits for individuals under chapter 69.50 RCW.

- Authorizes the sale of immature plants or clones and seeds between licensed producers and qualifying patients, designated providers, and members of a registered cooperative.
  - A Board Interim Policy has been put in place to provide guidance for these sales.
- **Licensing agreements and contracts:**
  - A licensed marijuana business may enter into a licensing agreement or consulting contract with any individual, partnership, employee cooperative, association, nonprofit corporation, or corporation so long as this is disclosed to the WSLCB. The process for how to disclose these agreements or contracts is being developed.
- **Advertising:**
  - The Legislature added many restrictions on outdoor advertising and new requirements for advertising in general. Please see the WSLCB published [fact sheet](#) addressing those new changes.
- **Definition of “Immature plant or clone”:**
  - “Means a plant or clone that has no flowers, is less than twelve inches in height, and is less than twelve inches in diameter.”
- **WSDA “organic-like” certification:**
  - Directs the Washington State Department of Agriculture (WSDA) to create an “organic-like” certification program for marijuana and marijuana products.
  - Rulemaking by the WSDA is required to create the program and establish the fees which must make the program self-sustaining.
  - Contact WSDA for more information: [www.wsd.org](http://www.wsd.org).
- **Reports/Studies:**
  - Directs the WSDA and WSLCB to collaboratively study the feasibility and practicality of implementing a legislatively authorized regulatory framework allowing industrial hemp produced as part of WSDA’s industrial hemp pilot program to be sold or transferred to marijuana processors for processing into industrial hemp or marijuana products to be sold at retail for human consumption.
  - Directs the WSLCB to conduct a study of regulatory options for the legalization of marijuana plant possession and cultivation by recreational marijuana users to be provided to the Legislature by December 1, 2017.

**Contact Information:**

For specific questions, please contact Customer Service at (360) 664-1600 or [lcb.wa.gov](http://lcb.wa.gov).