

the district office. The written report (~~(should)~~) must include, at a minimum, the following information:

- (a) The date and time of the incident;
- (b) The name and job title of the individual who administered the restraint or isolation;
- (c) A description of the activity that led to the restraint or isolation;
- (d) The type of restraint or isolation used on the student, including the duration; (~~(and)~~)
- (e) Whether the student or staff was physically injured during the restraint or isolation incident and any medical care provided; and
- (f) Any recommendations for changing the nature or amount of resources available to the student and staff members in order to avoid similar incidents.

~~((5))~~ (6) The principal or principal's designee must make a reasonable effort to verbally inform the student's parent or guardian within twenty-four hours of the incident, and must send written notification as soon as practical but postmarked no later than five business days after the restraint or isolation occurred. If the school or school district customarily provides the parent or guardian with school-related information in a language other than English, the written report under this section must be provided to the parent or guardian in that language.

(7)(a) Beginning January 1, 2016, and by January 1st annually, each school district shall summarize the written reports received under subsection (5) of this section and submit the summaries to the office of the superintendent of public instruction. For each school, the school district shall include the number of individual incidents of restraint and isolation, the number of students involved in the incidents, the number of injuries to students and staff, and the types of restraint or isolation used.

(b) No later than ninety days after receipt, the office of the superintendent of public instruction shall publish to its web site the data received by the districts. The office of the superintendent of public instruction may use this data to investigate the training, practices, and other efforts used by schools and districts to reduce the use of restraint and isolation.

Passed by the House April 23, 2015.

Passed by the Senate April 21, 2015.

Approved by the Governor May 8, 2015.

Filed in Office of Secretary of State May 8, 2015.

## CHAPTER 207

[House Bill 2000]

### MARIJUANA--STATE AGREEMENTS WITH INDIAN TRIBES

AN ACT Relating to authorizing the governor to enter into agreements with federally recognized Indian tribes in the state of Washington concerning marijuana; amending RCW 69.50.360, 69.50.363, and 69.50.366; adding new sections to chapter 43.06 RCW; adding a new section to chapter 69.50 RCW; adding a new section to chapter 82.08 RCW; and adding a new section to chapter 82.12 RCW.

Be it enacted by the Legislature of the State of Washington:

NEW SECTION, Sec. 1. A new section is added to chapter 43.06 RCW to read as follows:

Codified as a Note  
to RCW 43.06.490

The legislature intends to further the government-to-government relationship between the state of Washington and federally recognized Indian tribes in the state of Washington by authorizing the governor to enter into agreements concerning the regulation of marijuana. Such agreements may include provisions pertaining to: The lawful commercial production, processing, sale, and possession of marijuana for both recreational and medical purposes; marijuana-related research activities; law enforcement, both criminal and civil; and taxation. The legislature finds that these agreements will facilitate and promote a cooperative and mutually beneficial relationship between the state and the tribes regarding matters relating to the legalization of marijuana, particularly in light of the fact that federal Indian law precludes the state from enforcing its civil regulatory laws in Indian country. Such cooperative agreements will enhance public health and safety, ensure a lawful and well-regulated marijuana market, encourage economic development, and provide fiscal benefits to both the tribes and the state.

NEW SECTION. **Sec. 2.** A new section is added to chapter 43.06 RCW to read as follows:

RCW 43.06.490

(1) The governor may enter into agreements with federally recognized Indian tribes concerning marijuana. Marijuana agreements may address any marijuana-related issue that involves both state and tribal interests or otherwise has an impact on tribal-state relations. Such agreements may include, but are not limited to, the following provisions and subject matter:

- (a) Criminal and civil law enforcement;
- (b) Regulatory issues related to the commercial production, processing, sale, and possession of marijuana, and processed marijuana products, for both recreational and medical purposes;
- (c) Medical and pharmaceutical research involving marijuana;
- (d) Taxation in accordance with subsection (2) of this section;
- (e) Any tribal immunities or preemption of state law regarding the production, processing, or marketing of marijuana; and
- (f) Dispute resolution, including the use of mediation or other nonjudicial process.

(2)(a) Each marijuana agreement adopted under this section must provide for a tribal marijuana tax that is at least one hundred percent of the state marijuana excise tax imposed under RCW 69.50.535 and state and local sales and use taxes on sales of marijuana. Marijuana agreements apply to sales in which tribes, tribal enterprises, or tribal member-owned businesses (i) deliver or cause delivery to be made to or receive delivery from a marijuana producer, processor, or retailer licensed under chapter 69.50 RCW or (ii) physically transfer possession of the marijuana from the seller to the buyer within Indian country.

(b) The tribe may allow an exemption from tax for sales to the tribe, tribal enterprises, tribal member-owned businesses, or tribal members[,] on marijuana grown, produced, or processed within its Indian country, or for activities to the extent they are exempt under state or federal law from the state marijuana excise tax imposed under RCW 69.50.535 or state and local sales or use taxes on sales of marijuana. Medical marijuana products used in the course of medical treatments by a clinic, hospital, or similar facility owned and operated by a

federally recognized Indian tribe within its Indian country may be exempted from tax under the terms of an agreement entered into under this section.

(3) Any marijuana agreement relating to the production, processing, and sale of marijuana in Indian country, whether for recreational or medical purposes, must address the following issues:

(a) Preservation of public health and safety;

(b) Ensuring the security of production, processing, retail, and research facilities; and

(c) Cross-border commerce in marijuana.

(4) The governor may delegate the power to negotiate marijuana agreements to the state liquor control board. In conducting such negotiations, the state liquor control board must, when necessary, consult with the governor and/or the department of revenue.

(5) The definitions in this subsection apply throughout this section unless the context clearly requires otherwise.

(a) "Indian country" has the same meaning as in RCW 82.24.010.

(b) "Indian tribe" or "tribe" means a federally recognized Indian tribe located within the geographical boundaries of the state of Washington.

(c) "Marijuana" means "marijuana," "marijuana concentrates," "marijuana-infused products," and "useable marijuana," as those terms are defined in RCW 69.50.101.

**NEW SECTION. Sec. 3.** A new section is added to chapter 69.50 RCW to read as follows:

The taxes, fees, assessments, and other charges imposed by this chapter do not apply to commercial activities related to the production, processing, sale, and possession of marijuana, useable marijuana, marijuana concentrates, and marijuana-infused products covered by an agreement entered into under section 2 of this act.

**NEW SECTION. Sec. 4.** A new section is added to chapter 82.08 RCW to read as follows:

The taxes imposed by this chapter do not apply to the retail sale of marijuana, useable marijuana, marijuana concentrates, and marijuana-infused products covered by an agreement entered into under section 2 of this act. "Marijuana," "useable marijuana," "marijuana concentrates," and "marijuana-infused products" have the same meaning as defined in RCW 69.50.101.

**NEW SECTION. Sec. 5.** A new section is added to chapter 82.12 RCW to read as follows:

The taxes imposed by this chapter do not apply to the use of marijuana, useable marijuana, marijuana concentrates, and marijuana-infused products covered by an agreement entered into under section 2 of this act. "Marijuana," "useable marijuana," "marijuana concentrates," and "marijuana-infused products" have the same meaning as defined in RCW 69.50.101.

**Sec. 6.** RCW 69.50.360 and 2014 c 192 s 5 are each amended to read as follows:

The following acts, when performed by a validly licensed marijuana retailer or employee of a validly licensed retail outlet in compliance with rules adopted by the state liquor control board to implement and enforce chapter 3, Laws of

2013, (~~shall~~) do not constitute criminal or civil offenses under Washington state law:

(1) Purchase and receipt of marijuana concentrates, useable marijuana, or marijuana-infused products that have been properly packaged and labeled from a marijuana processor validly licensed under chapter 3, Laws of 2013;

(2) Possession of quantities of marijuana concentrates, useable marijuana, or marijuana-infused products that do not exceed the maximum amounts established by the state liquor control board under RCW 69.50.345(5); (~~and~~)

(3) Delivery, distribution, and sale, on the premises of the retail outlet, of any combination of the following amounts of marijuana concentrates, useable marijuana, or marijuana-infused product to any person twenty-one years of age or older:

(a) One ounce of useable marijuana;

(b) Sixteen ounces of marijuana-infused product in solid form;

(c) Seventy-two ounces of marijuana-infused product in liquid form; or

(d) Seven grams of marijuana concentrate; and

(4) Purchase and receipt of marijuana concentrates, useable marijuana, or marijuana-infused products that have been properly packaged and labeled from a federally recognized Indian tribe as permitted under an agreement between the state and the tribe entered into under section 2 of this act.

**Sec. 7.** RCW 69.50.363 and 2013 c 3 s 16 are each amended to read as follows:

The following acts, when performed by a validly licensed marijuana processor or employee of a validly licensed marijuana processor in compliance with rules adopted by the state liquor control board to implement and enforce chapter 3, Laws of 2013, (~~shall~~) do not constitute criminal or civil offenses under Washington state law:

(1) Purchase and receipt of marijuana that has been properly packaged and labeled from a marijuana producer validly licensed under chapter 3, Laws of 2013;

(2) Possession, processing, packaging, and labeling of quantities of marijuana, useable marijuana, and marijuana-infused products that do not exceed the maximum amounts established by the state liquor control board under RCW 69.50.345(4); (~~and~~)

(3) Delivery, distribution, and sale of useable marijuana or marijuana-infused products to a marijuana retailer validly licensed under chapter 3, Laws of 2013; and

(4) Delivery, distribution, and sale of useable marijuana, marijuana concentrates, or marijuana-infused products to a federally recognized Indian tribe as permitted under an agreement between the state and the tribe entered into under section 2 of this act.

**Sec. 8.** RCW 69.50.366 and 2013 c 3 s 17 are each amended to read as follows:

The following acts, when performed by a validly licensed marijuana producer or employee of a validly licensed marijuana producer in compliance with rules adopted by the state liquor control board to implement and enforce chapter 3, Laws of 2013, (~~shall~~) do not constitute criminal or civil offenses under Washington state law:

(1) Production or possession of quantities of marijuana that do not exceed the maximum amounts established by the state liquor control board under RCW 69.50.345(3); (~~and~~)

(2) Delivery, distribution, and sale of marijuana to a marijuana processor or another marijuana producer validly licensed under chapter 3, Laws of 2013; and

(3) Delivery, distribution, and sale of marijuana or useable marijuana to a federally recognized Indian tribe as permitted under an agreement between the state and the tribe entered into under section 2 of this act.

Passed by the House April 24, 2015.

Passed by the Senate April 24, 2015.

Approved by the Governor May 8, 2015.

Filed in Office of Secretary of State May 8, 2015.

## CHAPTER 208

[Senate Bill 5085]

### LICENSE PLATES--GOLD STAR

AN ACT Relating to gold star license plates; and amending RCW 46.18.245.

Be it enacted by the Legislature of the State of Washington:

**Sec. 1.** RCW 46.18.245 and 2013 c 137 s 1 are each amended to read as follows:

(1) A registered owner who is an eligible family member of a member of the United States armed forces who died while in service to his or her country, or as a result of his or her service, may apply to the department for special gold star license plates for use on a motor vehicle. The registered owner must:

(a) Be a resident of this state;

(b) Provide proof to the satisfaction of the department that the registered owner is an eligible family member, which includes:

(i) A widow;

(ii) A widower;

(iii) A biological parent;

(iv) An adoptive parent;

(v) A stepparent;

(vi) An adult in loco parentis or foster parent;

(vii) A biological child; (~~or~~)

(viii) An adopted child; or

(ix) A sibling;

(c) Provide certification from the Washington state department of veterans affairs that the registered owner qualifies for the special license plate under this section;

(d) Be recorded as the registered owner of the motor vehicle on which the gold star license plates will be displayed; and

(e) Except as provided in subsection (2) of this section, pay all fees and taxes required by law for registering the motor vehicle.

(2) In addition to the license plate fee exemption in subsection (3)(b) of this section, the widow or widower recipient of a gold star license plate under this section is also exempt from annual vehicle registration fees for one personal use motor vehicle.

"I am returning herewith, without my approval as to Section 25, Second Engrossed Second Substitute House Bill No. 1276 entitled:

"AN ACT Relating to impaired driving."

The Department of Health has a Medical Assistant-phlebotomist credential that is currently available to law enforcement and corrections personnel. Creating a new sub-category is therefore unnecessary. MA-phlebotomist training programs specific to law enforcement forensic needs can be developed without a change in current law or rules and MA-phlebotomist training is typically on-the-job, and can be completed in a few days.

Section 25 also creates substantial new responsibilities and costs as it requires the Department to inspect every police station, jail, corrections facility, or other location where a law enforcement MA-phlebotomist may take blood samples. The section also sets new ongoing training and minimum procedure standards for law enforcement MA-phlebotomists that no other medical assistants have, and that must be regulated by the Department. For these reasons, I am vetoing this section.

For these reasons I have vetoed Section 25 of Second Engrossed Second Substitute House Bill No. 1276.

With the exception of Section 25, Second Engrossed Second Substitute House Bill No. 1276 is approved."

---

## CHAPTER 4

[Second Engrossed Second Substitute House Bill 2136]

### MARIJUANA--REFORMS--TAXATION

AN ACT Relating to comprehensive marijuana market reforms to ensure a well-regulated and taxed marijuana market in Washington state; amending RCW 69.50.334, 69.50.357, 69.50.369, 69.50.535, 69.50.540, 69.50.331, 69.50.445, 69.50.4013, 18.170.020, 69.50.4014, 66.08.050, 69.50.101, 69.51A.--, 69.50.530, 69.50.204, 69.50.430, 69.50.--, 28B.20.502, 43.350.030, 42.56.--, and 69.50.342; adding new sections to chapter 69.50 RCW; adding a new section to chapter 82.08 RCW; adding a new section to chapter 82.12 RCW; adding a new section to chapter 42.56 RCW; creating new sections; repealing RCW 69.50.425; providing effective dates; and declaring an emergency.

Be it enacted by the Legislature of the State of Washington:

### PART I

#### Intent and Tax Preference Performance Statement

**NEW SECTION. Sec. 101.** (1)(a) The legislature finds the implementation of Initiative Measure No. 502 has established a clearly disadvantaged regulated legal market with respect to prices and the ability to compete with the unregulated medical dispensary market and the illicit market. The legislature further finds that it is crucial that the state continues to ensure a safe, highly regulated system in Washington that protects valuable state revenues while continuing efforts towards disbanding the unregulated marijuana markets. The legislature further finds that ongoing evaluation on the impact of meaningful marijuana tax reform for the purpose of stabilizing revenues is crucial to the overall effort of protecting the citizens and resources of this state. The legislature

(4) Licensed marijuana retailers (~~(shall)~~) may not display any signage (~~(in a window, on a door, or on the outside of the premises of a retail outlet that is visible to the general public from a public right of way, other than a single sign no larger than one thousand six hundred square inches identifying the retail outlet by the licensee's business or trade name. Retail outlets that hold medical marijuana endorsements may include this information on signage.~~

(5) Licensed marijuana retailers shall not display marijuana concentrates, useable marijuana, or marijuana-infused products in a manner that is visible to the general public from a public right of way.

~~(6))~~ outside of the licensed premises, other than two signs identifying the retail outlet by the licensee's business or trade name. Each sign must be no larger than one thousand six hundred square inches, be permanently affixed to a building or other structure, and be posted not less than one thousand feet from any elementary school, secondary school, or playground.

(5) No licensed marijuana retailer or employee of a retail outlet (~~(shall)~~) may open or consume, or allow to be opened or consumed, any marijuana concentrates, useable marijuana, or marijuana-infused product on the outlet premises.

~~((7))~~ (6) The state liquor and cannabis board (~~(shall)~~) must fine a licensee one thousand dollars for each violation of any subsection of this section. Fines collected under this section must be deposited into the dedicated marijuana (~~(fund)~~) account created under RCW 69.50.530.

**Sec. 204.** RCW 69.50.369 and 2013 c 3 s 18 are each amended to read as follows:

(1) No licensed marijuana producer, processor, researcher, or retailer (~~(shall)~~) may place or maintain, or cause to be placed or maintained, an advertisement of marijuana, useable marijuana, marijuana concentrates, or a marijuana-infused product in any form or through any medium whatsoever:

(a) Within one thousand feet of the perimeter of a school grounds, playground, recreation center or facility, child care center, public park, or library, or any game arcade admission to which is not restricted to persons aged twenty-one years or older;

(b) On or in a public transit vehicle or public transit shelter;

(c) On or in a publicly owned or operated property.

(2) Merchandising within a retail outlet is not advertising for the purposes of this section.

(3) This section does not apply to a noncommercial message.

(4) The state liquor (~~(control)~~) and cannabis board (~~(shall)~~) must fine a licensee one thousand dollars for each violation of subsection (1) of this section. Fines collected under this subsection must be deposited into the dedicated marijuana (~~(fund)~~) account created under RCW 69.50.530.

**Sec. 205.** RCW 69.50.535 and 2014 c 192 s 7 are each amended to read as follows:

~~(1) (There is levied and collected a marijuana excise tax equal to twenty-five percent of the selling price on each wholesale sale in this state of marijuana by a licensed marijuana producer to a licensed marijuana processor or another licensed marijuana producer. This tax is the obligation of the licensed marijuana producer.~~

~~(2) There is levied and collected a marijuana excise tax equal to twenty-five percent of the selling price on each wholesale sale in this state of marijuana concentrates, useable marijuana, and marijuana-infused products by a licensed marijuana processor to a licensed marijuana retailer. This tax is the obligation of the licensed marijuana processor.~~

~~(3)) (a) There is levied and collected a marijuana excise tax equal to ((twenty-five)) thirty-seven percent of the selling price on each retail sale in this state of marijuana concentrates, useable marijuana, and marijuana-infused products. This tax is ((the obligation of the licensed marijuana retailer, is)) separate and in addition to general state and local sales and use taxes that apply to retail sales of tangible personal property, and is not part of the total retail price to which general state and local sales and use taxes apply. The tax must be separately itemized from the state and local retail sales tax on the sales receipt provided to the buyer.~~

~~(b) The tax levied in this section must be reflected in the price list or quoted shelf price in the licensed marijuana retail store and in any advertising that includes prices for all useable marijuana, marijuana concentrates, or marijuana-infused products.~~

~~((4)) (2) All revenues collected from the marijuana excise ((taxes)) tax imposed under ((subsections (1) through (3) of)) this section ((shall)) must be deposited each day in ((a depository approved by the state treasurer and transferred to the state treasurer to be credited to)) the dedicated marijuana ((fund)) account.~~

~~((5)) (3) The ((state liquor control board shall)) tax imposed in this section must be paid by the buyer to the seller. Each seller must collect from the buyer the full amount of the tax payable on each taxable sale. The tax collected as required by this section is deemed to be held in trust by the seller until paid to the board. If any seller fails to collect the tax imposed in this section or, having collected the tax, fails to pay it as prescribed by the board, whether such failure is the result of the seller's own acts or the result of acts or conditions beyond the seller's control, the seller is, nevertheless, personally liable to the state for the amount of the tax.~~

~~(4) The definitions in this subsection apply throughout this section unless the context clearly requires otherwise.~~

~~(a) "Board" means the state liquor and cannabis board.~~

~~(b) "Retail sale" has the same meaning as in RCW 82.08.010.~~

~~(c) "Selling price" has the same meaning as in RCW 82.08.010, except that when product is sold under circumstances where the total amount of consideration paid for the product is not indicative of its true value, "selling price" means the true value of the product sold.~~

~~(d) "Product" means marijuana, marijuana concentrates, useable marijuana, and marijuana-infused products.~~

~~(e) "True value" means market value based on sales at comparable locations in this state of the same or similar product of like quality and character sold under comparable conditions of sale to comparable purchasers. However, in the absence of such sales of the same or similar product, true value means the value of the product sold as determined by all of the seller's direct and indirect costs attributable to the product.~~

(5)(a) The board must regularly review the tax level((s)) established under this section and make recommendations, in consultation with the department of revenue, to the legislature as appropriate regarding adjustments that would further the goal of discouraging use while undercutting illegal market prices.

(b) The state liquor and cannabis board must report, in compliance with RCW 43.01.036, to the appropriate committees of the legislature every two years. The report at a minimum must include the following:

(i) The specific recommendations required under (a) of this subsection;

(ii) A comparison of gross sales and tax collections prior to and after any marijuana tax change;

(iii) The increase or decrease in the volume of legal marijuana sold prior to and after any marijuana tax change;

(iv) Increases or decreases in the number of licensed marijuana producers, processors, and retailers;

(v) The number of illegal and noncompliant marijuana outlets the board requires to be closed;

(vi) Gross marijuana sales and tax collections in Oregon; and

(vii) The total amount of reported sales and use taxes exempted for qualifying patients. The department of revenue must provide the data of exempt amounts to the board.

(c) The board is not required to report to the legislature as required in (b) of this subsection after January 1, 2025.

(6) The legislature does not intend and does not authorize any person or entity to engage in activities or to conspire to engage in activities that would constitute per se violations of state and federal antitrust laws including, but not limited to, agreements among retailers as to the selling price of any goods sold.

**Sec. 206.** RCW 69.50.540 and 2013 c 3 s 28 are each amended to read as follows:

~~((All marijuana excise taxes collected from sales of marijuana, useable marijuana, and marijuana-infused products under RCW 69.50.535, and the license fees, penalties, and forfeitures derived under chapter 3, Laws of 2013 from marijuana producer, marijuana processor, and marijuana retailer licenses shall every three months be disbursed by the state liquor control board as follows:~~

(4)) The legislature must annually appropriate moneys in the dedicated marijuana account created in RCW 69.50.530 as follows:

(1) For the purposes listed in this subsection (1), the legislature must appropriate to the respective agencies amounts sufficient to make the following expenditures on a quarterly basis:

(a) Beginning July 1, 2015, one hundred twenty-five thousand dollars to the department of social and health services to design and administer the Washington state healthy youth survey, analyze the collected data, and produce reports, in collaboration with the office of the superintendent of public instruction, department of health, department of commerce, family policy council, and state liquor ((control)) and cannabis board. The survey ((shall)) must be conducted at least every two years and include questions regarding, but not necessarily limited to, academic achievement, age at time of substance use initiation, antisocial behavior of friends, attitudes toward antisocial behavior, attitudes toward substance use, laws and community norms regarding antisocial