

ESSB 5546 - S AMD 579

By Senator Shewmake

1 Strike everything after the enacting clause and insert the
2 following:

3 "NEW SECTION. **Sec. 1.** (1) The legislature finds that the
4 Washington state liquor and cannabis board exists to promote safe
5 communities and public safety, and that there is no state entity to
6 oversee research and education of the state's cannabis industry.

7 (2) The legislature therefore declares:

8 (a) The Washington state cannabis commission is established to
9 benefit the people of the state of Washington and its economy;

10 (b) The general welfare of the people of the state will be served
11 by the research and development of best practices surrounding safe
12 cultivation and processing activities of cannabis so the industry is
13 therefore affected with the public interest; and

14 (c) Creating a Washington state cannabis commission for the
15 public purpose of administering the revenue of the commission serves
16 the public interest by materially advancing the producing and
17 processing of cannabis and improving environmental sustainability in
18 the cannabis producing and processing sectors.

19 (3) To complement the development of a comprehensive regulatory
20 scheme for the production and processing of cannabis and cannabis
21 products, the legislature further declares that:

22 (a) It is in the overriding public interest that the state
23 support responsible agricultural production of cannabis in order to:

24 (i) Protect the public by providing research and education in
25 reference to the quality, care, and methods used in the production of
26 cannabis and cannabis products; and

27 (ii) Support and engage in programs or activities that benefit
28 the safe production, handling, processing, and uses of cannabis and
29 cannabis products; and

30 (b) Cannabis production and processing is a highly regulated
31 industry and that this chapter and the rules adopted under it are

1 only one aspect of the regulated industry. Other applicable laws
2 include:

- 3 (i) Chapter 15.130 RCW, the food safety and security act;
- 4 (ii) Chapter 15.125 RCW, cannabis and cannabis products;
- 5 (iii) Title 69 RCW, food, drugs, cosmetics, and poisons; and
- 6 (iv) Chapter 82.08 RCW, retail sales tax.

7 (4) This chapter and any rules adopted under this chapter are for
8 the purpose of fostering responsible and orderly agricultural
9 production of cannabis. Nothing in this chapter should be interpreted
10 to conflict with or supersede the overriding regulatory authority the
11 legislature has already granted to other state agencies.

12 NEW SECTION. **Sec. 2.** The definitions in this section apply
13 throughout this chapter unless the context clearly requires
14 otherwise.

15 (1) "Active cannabis producer" means a cannabis producer who
16 reported gross income that is subject to tax under chapter 82.04 RCW
17 in the calendar year before the date of a referendum under section 3
18 of this act.

19 (2) "Active cannabis producer/processor" means a cannabis
20 producer/processor who reported gross income that is subject to tax
21 under chapter 82.04 RCW in the calendar year before the date of a
22 referendum under section 3 of this act.

23 (3) "Board" means the Washington state liquor and cannabis board.

24 (4) "Cannabis" has the meaning provided in RCW 69.50.101.

25 (5) "Cannabis producer" has the meaning provided in RCW
26 69.50.101.

27 (6) "Cannabis products" has the meaning provided in RCW
28 69.50.101.

29 (7) "Cannabis processor" has the meaning provided in RCW
30 69.50.101.

31 (8) "Cannabis producer/processor" means any person or legal
32 entity holding both a cannabis producer license and a cannabis
33 processor license as defined in RCW 69.50.101.

34 (9) "Cannabis researcher" has the same meaning provided in RCW
35 69.50.101.

36 (10) "Cannabis retailer" has the same meaning provided in RCW
37 69.50.101.

38 (11) "Commission" means the Washington state cannabis commission
39 established in this chapter.

1 (12) "Cooperative" means a cannabis cooperative formed by
2 qualifying patients, designated providers, or both, which meets the
3 requirements of RCW 69.51A.250 and rules adopted under that section.

4 (13) "District" means each of the geographical areas of the state
5 of Washington defined in subsections (14) through (17) of this
6 section.

7 (14) "District 1" means the geographical area including the
8 counties of Clallum, Island, Jefferson, King, San Juan, Skagit,
9 Snohomish, and Whatcom.

10 (15) "District 2" means the geographical area including the
11 counties of Chelan, Douglas, Ferry, Grant, Kittitas, Okanogan, Pend
12 Oreille, and Stevens.

13 (16) "District 3" means the geographical area including the
14 counties of Adams, Asotin, Benton, Columbia, Franklin, Garfield,
15 Lincoln, Spokane, Walla Walla, Whitman, and Yakima.

16 (17) "District 4" means the geographical area including the
17 counties of Clark, Cowlitz, Grays Harbor, Kitsap, Klickitat, Lewis,
18 Mason, Pacific, Pierce, Skamania, Thurston, and Wahkiakum.

19 (18) "Fiscal year" means the 12-month period beginning July 1st
20 of any year and ending June 30th.

21 (19) "Interested parties" means governmental departments,
22 agencies, and bodies at the federal, state, or local levels.
23 "Interested parties" includes tribal governments, universities,
24 national and international associations, and other public or private
25 sector organizations with an interest in cannabis-related matters.

26 (20) "Tier" means any of the production licensing categories
27 established by rule of the board.

28 NEW SECTION. **Sec. 3.** (1) Upon receipt of a petition containing
29 the signatures of five active cannabis producers or active cannabis
30 producer/processors, to implement this chapter and to determine
31 participation in the commission and assessment under this chapter,
32 the director must conduct a referendum of active cannabis producers
33 and active cannabis producer/processors.

34 (a) The referendum must be conducted within 60 days of receipt of
35 the petition.

36 (b) The department must establish a list of active cannabis
37 producers and active cannabis producer/processors eligible to vote in
38 the referendum in collaboration with the board and the department of
39 revenue. Inadvertent failure to notify an active cannabis producer or

1 active cannabis producer/processor does not invalidate a proceeding
2 conducted under this chapter.

3 (2) The requirements of assent or approval of a referendum under
4 subsection (1) of this section are met if:

5 (a) At least 51 percent by numbers of the participants in the
6 referendum vote affirmatively; and

7 (b) At least 40 percent of the active cannabis producers and 40
8 percent of the active cannabis producer/processors have been
9 represented in the referendum to determine assent or approval of
10 participation and assessment.

11 (3) If the director determines that the requisite assent has not
12 been given in the referendum conducted under subsection (1) of this
13 section, the director must take no further action to implement or
14 enforce this chapter.

15 (4) Upon completion of the referendum conducted under subsection
16 (1) of this section, the department must tally the results of the
17 vote and provide the results to participants. If an active cannabis
18 producer or an active cannabis producer/processor disputes the
19 results of a vote within 60 days from the announced results, that
20 cannabis producer or cannabis producer/processor must provide in
21 writing a statement of why the vote is disputed and request a
22 recount.

23 (5) The director is not required to hold a referendum under
24 subsection (1) of this section more than once in any 12-month period.

25 (6) The director may conduct voting on a referendum under this
26 chapter by electronic means, paper ballots, or both.

27 NEW SECTION. **Sec. 4.** Within 60 days of the director determining
28 that requisite assent has been given in a referendum conducted under
29 section 3 of this act, the director must establish the Washington
30 state cannabis commission to:

31 (1) Plan and conduct programs for cannabis-related matters;

32 (2) Provide funding for conducting research in accordance with
33 commission rules;

34 (3) Coordinate with and advise interested parties regarding
35 cannabis-related matters within the scope of the powers and purposes
36 of the commission in accordance with commission rules;

37 (4) Coordinate with interested parties to standardize methods by
38 which to identify and determine the genetics, strains, cultivars,

1 phenotypes, standards, and grades of cannabis, and advise on cannabis
2 packaging and labeling requirements;

3 (5) Conduct reviews, surveys, and inquiries regarding market
4 metrics and analytics, including trends, revenues, profitability,
5 projections, production, business practices, and other economic
6 drivers of the cannabis industry;

7 (6) Inform and advise cannabis producers and cannabis producer/
8 processors on cannabis-related matters, including, without
9 limitation, educational information on cannabis cultivation, usage,
10 risks, and related technical and scientific developments;

11 (7) Provide cannabis-related education and training to cannabis
12 producers, cannabis producer/processors, cannabis researchers, and
13 their employees, which may include education and training on cannabis
14 health and safety information;

15 (8) Provide information and services for meeting resource
16 conservation objectives of cannabis producers and cannabis producer/
17 processors;

18 (9) Assist and cooperate with federal, state, and local
19 government agencies in the investigation and control of pests,
20 diseases, and other factors that could adversely affect the
21 cultivation, quality, and safety of cannabis produced in this state;

22 (10) Advance the knowledge and practices of cannabis production
23 in this state through research and testing methods to improve pest
24 management, worker protection, safety training, energy efficiency,
25 and environmental protection;

26 (11) Foster conditions favorable to investment in cannabis
27 produced in this state in accordance with state and federal laws;

28 (12) Limit youth access and youth exposure to cannabis;

29 (13) Enable cannabis producers and cannabis producer/processors,
30 in cooperation with the commission, to:

31 (a) Develop and engage in research, including, without
32 limitation, discovering better and more efficient production,
33 irrigation, odor mitigation, processing, transportation, handling,
34 packaging, and use of cannabis and cannabis products; and

35 (b) Discover and develop new and improved cultivars to ensure
36 reliable and economical cannabis production in this state;

37 (14) Establish uniform grading and proper preparation of cannabis
38 products for market;

39 (15) Protect the interest of consumers and the state by advising
40 on the overall production of cannabis to ensure a balanced and

1 sufficient supply of cannabis and cannabis products of good quality
2 during all seasons and at all times; and

3 (16) Advance the knowledge and practices of processing cannabis
4 in this state.

5 NEW SECTION. **Sec. 5.** (1) The commission must:

6 (a) Elect a chair and other officers by a majority vote of the
7 commission or in accordance with bylaws adopted by the commission;

8 (b) Adopt, rescind, and amend bylaws and other internal rules
9 necessary for the administration and operation of the commission and
10 for carrying out its duties in this chapter;

11 (c) Administer and enforce the provisions of this chapter;

12 (d) Designate a public records officer, rules coordinator, and
13 other representatives required under laws governing state agencies
14 and commissions;

15 (e) Comply with all other laws applicable to state agencies and
16 commissions;

17 (f) Institute and maintain in its own name any legal actions,
18 including actions by injunction, mandatory injunction, civil
19 recovery, or proceedings before administrative tribunals or other
20 governmental authorities necessary to carry out this chapter, and to
21 sue and be sued as a commission, without individual liability for
22 acts of the commission within the scope of the powers conferred by
23 this chapter; and

24 (g) Keep accurate records of all receipts and disbursements,
25 which must be open to inspection and audit by the state auditor or
26 its designee at least every five years and at any time by a duly
27 appointed internal auditor by majority vote of the commission.

28 (2) The commission may:

29 (a) Employ and discharge, in its discretion, managers,
30 secretaries, agents, attorneys, and employees, and engage the
31 services of independent contractors as the commission deems necessary
32 to fulfill duties, and to fix compensation. However, until assessment
33 collections in section 15 of this act equal at least \$1,000,000, the
34 commission must contract for staff support;

35 (b) Acquire and transfer personal and real property, establish
36 offices, incur expenses, enter into contracts and cooperative
37 agreements, and create such debt and other liabilities as may be
38 reasonable to fulfill its duties under this chapter;

39 (c) Make necessary disbursements for routine operating expenses;

- 1 (d) Expend funds for all activities permitted under this chapter;
- 2 (e) Cooperate with interested parties to fulfill its duties under
3 this chapter;
- 4 (f) Serve as a liaison on behalf of the general cannabis
5 producing and processing industries to the board and other interested
6 parties, and not on behalf of any individual cannabis producer or
7 cannabis producer/processor;
- 8 (g) Solicit, accept, retain, and expend any gifts, bequests,
9 contributions, or grants from private persons or public agencies to
10 carry out this chapter;
- 11 (h) Retain the services of private legal counsel, which is
12 subject to the appointment and approval by the office of the state
13 attorney general;
- 14 (i) Engage in appropriate activities and events to support
15 commission activities authorized by this chapter;
- 16 (j) Participate in meetings, hearings, and other proceedings
17 regarding cannabis, including, without limitation, the production,
18 irrigation, manufacture, regulation, transportation, distribution,
19 sale, or use of cannabis, including activities authorized under RCW
20 42.17A.635 and the reporting of such activities to the public
21 disclosure commission;
- 22 (k) Obtain from the board, a list of the names and addresses of
23 cannabis producers, cannabis processors, cannabis producer/
24 processors, and cannabis retailers, and other available data from the
25 state as requested by the commission relative to its duties under
26 this chapter;
- 27 (l) Acquire, create, develop, and own intellectual property
28 rights, licenses, and patents, and to collect royalties resulting
29 from the sale or licensing of commission-funded research. However,
30 results and recommendations from research conducted or funded by the
31 commission must be available to all cannabis producers and cannabis
32 producer/processors without charge, except for reasonable costs as
33 the commission may determine;
- 34 (m) Speak on behalf of the Washington state government regarding
35 agricultural production of cannabis in this state, subject to
36 oversight of both the director and the director of the board;
- 37 (n) Possess cannabis products for the limited purposes of this
38 chapter;
- 39 (o) Adopt rules to implement this chapter; and

1 (p) Exercise other powers and duties reasonably necessary to
2 carry out this chapter.

3 NEW SECTION. **Sec. 6.** The department must serve as the
4 commission's rules coordinator. Rules adopted by the commission must
5 be approved by the director.

6 NEW SECTION. **Sec. 7.** (1) The commission is composed of the
7 following 13 voting members:

8 (a) Eight cannabis producer or cannabis producer/processor
9 members, two each from district 1, district 2, district 3, and
10 district 4;

11 (b) One statewide at-large cannabis producer or cannabis
12 producer/processor member from any district;

13 (c) One statewide tier one cannabis producer or cannabis
14 producer/processor member from any district;

15 (d) One statewide tier two cannabis producer or cannabis
16 producer/processor member from any district;

17 (e) One statewide tier three cannabis producer or cannabis
18 producer/processor member from any district; and

19 (f) The director.

20 (2) Each member of the commission other than the director must:

21 (a) Be 21 years of age or older;

22 (b) Be a citizen and resident of this state;

23 (c) Directly hold or be named an owner in whole or majority part
24 of an entity holding the relevant business license issued by the
25 board. This license must not be suspended at the time of nomination,
26 election, or appointment and must not be suspended at any time during
27 the member's term;

28 (d) Be an officer or employee of a corporation, firm,
29 partnership, association, or cooperative engaged in the active
30 production of cannabis within this state for a period of three years
31 and have, during that period, derived a substantial portion of his or
32 her income from cannabis production; and

33 (e) Continue to meet all membership qualifications throughout the
34 member's term.

35 (3) Seven voting members constitute a quorum of the commission.

36 (4) Commission members must be reimbursed for expenses incurred
37 in the performance of their duties under this chapter in accordance
38 with RCW 43.03.050 and 43.03.060.

1 NEW SECTION. **Sec. 8.** (1) The director must select initial
2 members to appoint to the commission from a pool of self-nominated
3 cannabis producers or cannabis producer/processors from district 1,
4 district 2, district 3, and district 4.

5 (2) The director has discretion in determining which members are
6 appointed to the term limits in (a) through (c) of this subsection
7 but, within 90 days after the effective date of this section, must
8 appoint the initial commission members in accordance with the
9 following:

10 (a) Four members must be appointed for a one-year term;

11 (b) Four members must be appointed for a two-year term; and

12 (c) Four members must be appointed for a three-year term.

13 (3) The commission must establish by rule the process by which
14 commission members are elected and any vacancy appointments are made.

15 (4) When making initial and replacement appointments, the
16 director must give priority to persons representing the diverse
17 communities of the state to maintain a balanced representation of
18 members where practicable.

19 NEW SECTION. **Sec. 9.** (1) On a fiscal year basis and before each
20 fiscal year beginning, the commission must develop and submit, to the
21 director, each of the following:

22 (a) A budget; and

23 (b) Any plans concerning, without limitation:

24 (i) The establishment, issuance, effectuation, or administration
25 of commission governance issues; and

26 (ii) The initiation or establishment of any rule making.

27 (2) The director must timely review and approve or deny each
28 submission in this section.

29 (3) The director must review the commission's education program
30 to ensure its consistency with applicable state and federal laws.

31 NEW SECTION. **Sec. 10.** The commission must deposit moneys
32 collected under this chapter and section 15 of this act in a separate
33 account in the name of the commission in any bank that is a state
34 depository. All expenditures and disbursements made from this account
35 under this chapter may be made without the necessity of a specific
36 legislative appropriation. None of the provisions of RCW 43.01.050
37 and 69.50.540 apply to this account or to the moneys received,
38 collected, or expended under this chapter.

1 NEW SECTION. **Sec. 11.** The assessment imposed under section 15
2 of this act constitutes a personal debt of every person charged or
3 who otherwise owes the assessment, and the assessment is due and
4 payable to the commission.

5 NEW SECTION. **Sec. 12.** (1) Financial and commercial information
6 and records submitted to the board or the commission to administer
7 this chapter may be shared between the board and the commission. The
8 information or records may also be used, if required, in any action
9 or administrative hearing relative to this chapter.

10 (2) This section does not prohibit:

11 (a) The issuance of general statements based upon the reports of
12 a cannabis producer or cannabis producer/processor under this chapter
13 if the statements do not identify a specific licensee; or

14 (b) The publication by the director or the commission of the name
15 of a cannabis producer or cannabis producer/processor violating this
16 chapter and a statement of the violation.

17 NEW SECTION. **Sec. 13.** Obligations incurred by the commission
18 and any other liabilities or claims against the commission must be
19 enforced only against the assets of the commission and, except to the
20 extent of such assets, no liability for the debts or actions of the
21 commission exists against either the state of Washington or any
22 subdivision or instrumentality thereof or against any member,
23 employee, or agent of the commission or the state of Washington in
24 his or her individual capacity. Except as otherwise provided in this
25 chapter, neither the commission members, nor its employees, may be
26 held individually responsible for errors in judgment, mistakes, or
27 other acts, either of commission or omission, as principal, agent,
28 person, or employee, except for their own individual acts of
29 dishonesty or crime. No person or employee may be held individually
30 responsible for any act or omission of any other commission members.
31 The liability of the commission members shall be several and not
32 joint, and no member is liable for the default of any other member.
33 This provision confirms that commission members have been and
34 continue to be, state officers or volunteers for purposes of RCW
35 4.92.075 and are entitled to the defenses, indemnifications,
36 limitations of liability, and other protections and benefits of
37 chapter 4.92 RCW.

1 NEW SECTION. **Sec. 14.** All costs incurred by the board and the
2 department, including staff support and the adoption of rules or
3 other actions necessary to carry out this chapter must be reimbursed
4 by the commission. Costs incurred under this section must include
5 initial estimates of work and line-item accounting of the costs
6 incurred.

7 NEW SECTION. **Sec. 15.** A new section is added to chapter 69.50
8 RCW to read as follows:

9 (1) Pursuant to referendum under section 3 of this act, to
10 provide for permanent funding of the Washington state cannabis
11 commission, the commission must impose and collect an assessment from
12 all active cannabis producers and cannabis producer/processors.

13 (2) The initial rate of assessment is 0.29 percent of all sales
14 revenue conducted by a cannabis producer or cannabis producer/
15 processor.

16 (3) The commission must adopt rules prescribing the time, place,
17 and method for payment and collection of this assessment.

18 (4) After the initial assessment is approved, the commission may
19 modify the assessment if submitted for approval by referendum. The
20 requirements of assent or approval of a referendum under this
21 subsection are met if:

22 (a) At least 60 percent by numbers of the participants in the
23 referendum vote affirmatively to approve the modification; and

24 (b) At least 40 percent of the active cannabis producers and 40
25 percent of the active cannabis producer/processors have been
26 represented in the referendum to determine assent or approval of the
27 modification.

28 (5) Assessments collected under this section must be disbursed at
29 least quarterly to the Washington state cannabis commission
30 established in section 4 of this act for use in carrying out the
31 purposes of chapter 15.--- RCW (the new chapter created in section 17
32 of this act).

33 (6) Until October 31, 2029, the assessments in this section do
34 not apply to a cannabis producer or cannabis producer/processor
35 licensed under the social equity program in this chapter.

36 **Sec. 16.** RCW 41.06.070 and 2023 c 148 s 3 are each amended to
37 read as follows:

38 (1) The provisions of this chapter do not apply to:

1 (a) The members of the legislature or to any employee of, or
2 position in, the legislative branch of the state government including
3 members, officers, and employees of the legislative council, joint
4 legislative audit and review committee, statute law committee, and
5 any interim committee of the legislature;

6 (b) The justices of the supreme court, judges of the court of
7 appeals, judges of the superior courts or of the inferior courts, or
8 to any employee of, or position in the judicial branch of state
9 government;

10 (c) Officers, academic personnel, and employees of technical
11 colleges;

12 (d) The officers of the Washington state patrol;

13 (e) Elective officers of the state;

14 (f) The chief executive officer of each agency;

15 (g) In the departments of employment security and social and
16 health services, the director and the director's confidential
17 secretary; in all other departments, the executive head of which is
18 an individual appointed by the governor, the director, his or her
19 confidential secretary, and his or her statutory assistant directors;

20 (h) In the case of a multimember board, commission, or committee,
21 whether the members thereof are elected, appointed by the governor or
22 other authority, serve ex officio, or are otherwise chosen:

23 (i) All members of such boards, commissions, or committees;

24 (ii) If the members of the board, commission, or committee serve
25 on a part-time basis and there is a statutory executive officer: The
26 secretary of the board, commission, or committee; the chief executive
27 officer of the board, commission, or committee; and the confidential
28 secretary of the chief executive officer of the board, commission, or
29 committee;

30 (iii) If the members of the board, commission, or committee serve
31 on a full-time basis: The chief executive officer or administrative
32 officer as designated by the board, commission, or committee; and a
33 confidential secretary to the chair of the board, commission, or
34 committee;

35 (iv) If all members of the board, commission, or committee serve
36 ex officio: The chief executive officer; and the confidential
37 secretary of such chief executive officer;

38 (i) The confidential secretaries and administrative assistants in
39 the immediate offices of the elective officers of the state;

40 (j) Assistant attorneys general;

- 1 (k) Commissioned and enlisted personnel in the military service
2 of the state;
- 3 (l) Inmate, student, and temporary employees, and part-time
4 professional consultants, as defined by the director;
- 5 (m) Officers and employees of the Washington state fruit
6 commission;
- 7 (n) Officers and employees of the Washington apple commission;
- 8 (o) Officers and employees of the Washington state dairy products
9 commission;
- 10 (p) Officers and employees of the Washington tree fruit research
11 commission;
- 12 (q) Officers and employees of the Washington state beef
13 commission;
- 14 (r) Officers and employees of the Washington grain commission;
- 15 (s) Officers and employees of any commission formed under chapter
16 15.66 RCW;
- 17 (t) Officers and employees of agricultural commissions formed
18 under chapter 15.65 RCW;
- 19 (u) Executive assistants for personnel administration and labor
20 relations in all state agencies employing such executive assistants
21 including but not limited to all departments, offices, commissions,
22 committees, boards, or other bodies subject to the provisions of this
23 chapter and this subsection shall prevail over any provision of law
24 inconsistent herewith unless specific exception is made in such law;
- 25 (v) In each agency with fifty or more employees: Deputy agency
26 heads, assistant directors or division directors, and not more than
27 three principal policy assistants who report directly to the agency
28 head or deputy agency heads;
- 29 (w) Staff employed by the department of commerce to administer
30 energy policy functions;
- 31 (x) The manager of the energy facility site evaluation council;
- 32 (y) A maximum of ten staff employed by the department of commerce
33 to administer innovation and policy functions, including the three
34 principal policy assistants exempted under (v) of this subsection;
- 35 (z) Staff employed by Washington State University to administer
36 energy education, applied research, and technology transfer programs
37 under RCW 43.21F.045 as provided in RCW 28B.30.900(5);
- 38 (aa) Officers and employees of the consolidated technology
39 services agency created in RCW 43.105.006 that perform the following
40 functions or duties: Systems integration; data center engineering and

1 management; network systems engineering and management; information
2 technology contracting; information technology customer relations
3 management; and network and systems security;

4 (bb) The executive director of the Washington statewide reentry
5 council; and

6 (cc) Officers and employees of the Washington state cannabis
7 commission under chapter 15.--- RCW (the new chapter created in
8 section 17 of this act).

9 (2) The following classifications, positions, and employees of
10 institutions of higher education and related boards are hereby
11 exempted from coverage of this chapter:

12 (a) Members of the governing board of each institution of higher
13 education and related boards, all presidents, vice presidents, and
14 their confidential secretaries, administrative, and personal
15 assistants; deans, directors, and chairs; academic personnel; and
16 executive heads of major administrative or academic divisions
17 employed by institutions of higher education; principal assistants to
18 executive heads of major administrative or academic divisions; other
19 managerial or professional employees in an institution or related
20 board having substantial responsibility for directing or controlling
21 program operations and accountable for allocation of resources and
22 program results, or for the formulation of institutional policy, or
23 for carrying out personnel administration or labor relations
24 functions, legislative relations, public information, development,
25 senior computer systems and network programming, or internal audits
26 and investigations; and any employee of a community college district
27 whose place of work is one which is physically located outside the
28 state of Washington and who is employed pursuant to RCW 28B.50.092
29 and assigned to an educational program operating outside of the state
30 of Washington;

31 (b) The governing board of each institution, and related boards,
32 may also exempt from this chapter classifications involving research
33 activities, counseling of students, extension or continuing education
34 activities, graphic arts or publications activities requiring
35 prescribed academic preparation or special training as determined by
36 the board: PROVIDED, That no nonacademic employee engaged in office,
37 clerical, maintenance, or food and trade services may be exempted by
38 the board under this provision;

39 (c) Printing craft employees in the department of printing at the
40 University of Washington.

1 (3) In addition to the exemptions specifically provided by this
2 chapter, the director may provide for further exemptions pursuant to
3 the following procedures. The governor or other appropriate elected
4 official may submit requests for exemption to the office of financial
5 management stating the reasons for requesting such exemptions. The
6 director shall hold a public hearing, after proper notice, on
7 requests submitted pursuant to this subsection. If the director
8 determines that the position for which exemption is requested is one
9 involving substantial responsibility for the formulation of basic
10 agency or executive policy or one involving directing and controlling
11 program operations of an agency or a major administrative division
12 thereof, or is a senior expert in enterprise information technology
13 infrastructure, engineering, or systems, the director shall grant the
14 request. The total number of additional exemptions permitted under
15 this subsection shall not exceed one percent of the number of
16 employees in the classified service not including employees of
17 institutions of higher education and related boards for those
18 agencies not directly under the authority of any elected public
19 official other than the governor, and shall not exceed a total of
20 twenty-five for all agencies under the authority of elected public
21 officials other than the governor.

22 (4) The salary and fringe benefits of all positions presently or
23 hereafter exempted except for the chief executive officer of each
24 agency, full-time members of boards and commissions, administrative
25 assistants and confidential secretaries in the immediate office of an
26 elected state official, and the personnel listed in subsections
27 (1)(j) through (t), (cc), and (2) of this section, shall be
28 determined by the director. Changes to the classification plan
29 affecting exempt salaries must meet the same provisions for
30 classified salary increases resulting from adjustments to the
31 classification plan as outlined in RCW 41.06.152.

32 (5)(a) Any person holding a classified position subject to the
33 provisions of this chapter shall, when and if such position is
34 subsequently exempted from the application of this chapter, be
35 afforded the following rights: If such person previously held
36 permanent status in another classified position, such person shall
37 have a right of reversion to the highest class of position previously
38 held, or to a position of similar nature and salary.

39 (b) Any classified employee having civil service status in a
40 classified position who accepts an appointment in an exempt position

1 shall have the right of reversion to the highest class of position
2 previously held, or to a position of similar nature and salary.

3 (c) A person occupying an exempt position who is terminated from
4 the position for gross misconduct or malfeasance does not have the
5 right of reversion to a classified position as provided for in this
6 section.

7 (6)(a) Notwithstanding the provisions of subsection (5) of this
8 section, a person cannot exercise the right of reversion to a
9 classified position if the employee has been given written notice
10 that they are the subject of an active workplace investigation in
11 which the allegations being investigated, if founded, could result in
12 a finding of gross misconduct or malfeasance. The right of reversion
13 is suspended during the pendency of the investigation. For the
14 purposes of this subsection, written notice includes notice sent by
15 email to the employee's work email address.

16 (b) The office of financial management must adopt rules
17 implementing this section.

18 NEW SECTION. **Sec. 17.** Sections 1 through 14 of this act
19 constitute a new chapter in Title 15 RCW."

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20 On page 1, line 2 of the title, after "commission;" strike the
21 remainder of the title and insert "amending RCW 41.06.070; adding a
22 new section to chapter 69.50 RCW; and adding a new chapter to Title
23 15 RCW."

EFFECT: (1) Removes a provision requiring the Department of
Agriculture to create rules if an active cannabis producer disputes
the results of the referendum and instead requires the producer
disputing the result to provide a written statement of why the vote
is disputed and request a recount.

(2) Requires the Cannabis Commission, rather than the Liquor and
Cannabis Board to impose and collect an assessment on all active
cannabis producers and cannabis producer/processors. Removes the
separate assessment rate for cannabis producer/processors. Requires
the commission to adopt rules prescribing the time, place, and method
for payment and collection of the assessment.

(3) Changes the date for the expiration of the exclusion from the
assessment for cannabis producers and cannabis producer/processors

under the social equity program from October 31, 2028, to October 31, 2029.

--- **END** ---