

SENATE BILL REPORT

SB 6542

As Reported by Senate Committee On:
Ways & Means, March 3, 2014

Title: An act relating to establishing the state cannabis industry coordinating committee.

Brief Description: Establishing the state cannabis industry coordinating committee.

Sponsors: Senator Kohl-Welles.

Brief History:

Committee Activity: Ways & Means: 3/03/14 [DPS, DNP, w/oRec].

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: That Substitute Senate Bill No. 6542 be substituted therefor, and the substitute bill do pass.

Signed by Senators Hill, Chair; Baumgartner, Vice Chair; Hargrove, Ranking Member; Keiser, Assistant Ranking Member on the Capital Budget; Ranker, Assistant Ranking Member on the Operating Budget; Bailey, Billig, Conway, Fraser, Frockt, Hasegawa, Hatfield, Kohl-Welles, Parlette, Rivers and Tom.

Minority Report: Do not pass.

Signed by Senators Honeyford, Capital Budget Chair; Padden.

Minority Report: That it be referred without recommendation.

Signed by Senators Becker, Braun, Dammeier, Hewitt and Schoesler.

Staff: Steve Jones (786-7440)

Background: In 2012 the voters of the state approved Initiative Measure No. 502, establishing a new regulatory and licensing structure for businesses related to the purchase and use of marijuana.

Summary of Bill: The bill as referred to committee not considered.

Summary of Bill (Recommended Substitute): A temporary State Cannabis Industry Coordinating Committee is established to develop a state comprehensive plan to identify and coordinate cannabis-related business opportunities, develop a method to assess the economic

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impact of the industry, examine any relevant changes in federal law, and recommend options for distributing tax revenue from marijuana.

The committee includes the following:

- two members of the Senate;
- two members of the House of Representatives;
- one representative of the departments of Health, Commerce, Revenue, Agriculture, and Financial Institutions, the State Treasurer's Office, and the Liquor Control Board;
- two representatives of Association of Washington Cities and the Association of Counties; and
- nine industry stakeholders appointed by the Governor.

Staff support to the committee is provided by Senate Committee Services, the House of Representatives Office of Program Research, and the represented state agencies.

Preliminary recommendations of the committee are due by December 15, 2014, and a final report by July 1, 2015. The legislation expires January 1, 2016.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: Yes.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony: PRO: This bill will promote economic opportunities and new industries, create jobs, and help small businesses such as food processors, farmers' markets, hemp producers, etc. We need specialized policy recommendations from experts. The current legal environment is shaky. This committee will explore differences in the medical market and the cannabis market. Positive policy choices should be maximized, with many new products coming to market. This committee will bring the industry to the table and is a very good next step to examine these new economic opportunities.

CON: This committee is a waste of resources and will be pre-empted by federal law. The membership of the committee is inappropriate. The federal tax code will not allow businesses to deduct their business expenses. This is a false solution. Congress needs to act to re-schedule cannabis before there can be any legitimate business opportunities. The needs of the medical marijuana community are not being addressed.

OTHER: State agencies should serve in the capacity of support staff, not as members of this committee.

Persons Testifying: PRO: Senator Kohl-Welles, prime sponsor; Ezra Eikmeyer, WA Cannabis Assn.; Tyler J. Markwart, Allele Seeds Research; Kari Boiter, Cannabis Basics; Candice Bock, Assn. of WA Cities; Allison Bigelow, Kevin Heiderich, citizens.

CON: Steve Sarich, Cannabis Action Coalition; Arthur West, John Worthington, John Novack, Brian Stone, citizens.

OTHER: Patrick Seifert, Rainier Xpress; Randy Gordon, citizen.