
Finance Committee

HB 2136

Brief Description: Relating to comprehensive marijuana market reforms to ensure a well-regulated and taxed marijuana market in Washington state.

Sponsors: Representative Carlyle.

<p style="text-align: center;">Brief Summary of Bill</p> <ul style="list-style-type: none">• Establishes legislative intent to enact comprehensive marijuana market reform legislation.
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Hearing Date: 3/4/15

Staff: Dominique Meyers (786-7150).

Background:

Overview of Initiative Measure No. 502.

Initiative Measure No. 502 (I-502) was a ballot measure approved by Washington voters in November of 2012 that: (1) legalized the production, processing, possession and personal use of marijuana; (2) created a framework for a regulatory scheme to be further developed by the Liquor Control Board (LCB) through its rule-making authority; and (3) revised provisions in criminal statute to accommodate such legalization in accordance with the requirements of the initiative.

The scope of I-502 was broad and contained statutory provisions that include the following:

- legalizing the personal use and possession of up to one ounce of marijuana, as well as specified products directly related to such marijuana use;
- licensing and regulating marijuana production, distribution, and retailing;
- designating the LCB as the regulatory entity responsible for the implementation of the initiative, including continuing oversight over the commercial practices and conduct of licensed marijuana producers, processors, and retailers;

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- providing the LCB with broad rule-making authority with respect to the development of the requisite regulatory scheme;
- implementing excise taxes on marijuana production, processing, and retailing;
- creating a dedicated marijuana fund for the collection and distribution of marijuana-related tax revenues;
- deleting statutory provisions containing criminal and/or civil penalties for marijuana-related activities authorized by I-502; and
- amending driving under the influence laws to include specific provisions pertaining to driving under the influence of marijuana.

The statutory provisions of I-502 are codified in the state Controlled Substances Act (CSA), chapter 69.50 RCW.

Federal Response to Marijuana Legalization by the States.

Washington is one of at least 23 states that have passed legislation allowing the use of marijuana for medicinal purposes and one of four states that allow its recreational use. These activities, however, remain illegal under federal law.

However, in August of 2013, the United States Department of Justice issued a formal, enforcement policy memorandum in response to the legalization of recreational marijuana in the states of Washington and Colorado. In this memorandum, federal prosecutors were instructed to focus investigative and prosecutorial resources related to marijuana on specific enforcement priorities to prevent:

- the distribution of marijuana to minors;
- marijuana sales revenue from being directed to criminal enterprises;
- marijuana from being diverted from states where it is legal to states in which it is illegal;
- state-authorized marijuana activity from being used as a cover for trafficking other illegal drugs or other illegal activity;
- violence and the use of firearms in the production and distribution of marijuana;
- drugged driving and other marijuana-related public health consequences;
- the growth of marijuana on public lands; and
- marijuana possession or use on federal property.

With respect to state laws that authorize marijuana production, distribution, and sales, the memorandum states that when these activities are conducted in compliance with strong and effective regulatory and enforcement systems there is a reduced threat to federal priorities. In such instances, the memorandum asserts that state and local law enforcement should be the primary means of regulation. The memorandum, however, affirms continuing federal authority to challenge state regulatory systems and to bring individual enforcement actions in cases in which state regulatory efforts are inadequate.

Summary of Bill:

The legislature intends to enact comprehensive marijuana market reform legislation to ensure a well-regulated and tax marijuana market in the state.

Appropriation: None.

Fiscal Note: Requested on March 3, 2015.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.