

# HOUSE BILL REPORT

## HB 2521

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### As Reported by House Committee On: Commerce & Gaming

**Title:** An act relating to allowing for proper disposal of unsellable marijuana by a licensed marijuana retail outlet.

**Brief Description:** Allowing for proper disposal of unsellable marijuana by a licensed marijuana retail outlet.

**Sponsors:** Representatives Wylie and Condotta; by request of Liquor and Cannabis Board.

#### **Brief History:**

##### **Committee Activity:**

Commerce & Gaming: 1/25/16, 2/1/16 [DP].

#### **Brief Summary of Bill**

- Creates an exception to the requirement that no licensed marijuana retailer or employee of a retail outlet may open or consume, or allow to be opened or consumed, any marijuana concentrates, useable marijuana, or marijuana-infused product on the outlet premises in order to allow for disposal as authorized by the Liquor and Cannabis Board.

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### HOUSE COMMITTEE ON COMMERCE & GAMING

**Majority Report:** Do pass. Signed by 9 members: Representatives Hurst, Chair; Wylie, Vice Chair; Condotta, Ranking Minority Member; Holy, Assistant Ranking Minority Member; Blake, Kirby, Scott, Van De Wege and Vick.

**Staff:** Peter Clodfelter (786-7127).

#### **Background:**

Initiative 502 (I-502) was a ballot measure approved by Washington State voters in November 2012 that: (1) legalized the production, processing, sale, possession, and personal use of marijuana and marijuana-derived products; (2) created a framework for a regulatory scheme to be further developed by the Liquor and Cannabis Board (LCB) through its rule-

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making authority; and (3) implemented a taxation system for commercial marijuana enterprises. Under this regulatory scheme, a separate license is needed in order to produce, process, or sell at retail marijuana and marijuana-derived products. A licensed producer or processor may not also be a licensed marijuana retailer.

Licensed marijuana retailers are authorized to sell marijuana concentrates, useable marijuana, marijuana-infused products, and certain paraphernalia at retail to persons 21 years of age or older, subject to statutory and regulatory requirements. Among those requirements are that labels on marijuana-infused products and marijuana concentrates sold at retail must include a best by date and that licensed marijuana retailers may not sell marijuana products below acquisition cost or after the marijuana products' best by date passes.

Also, no licensed marijuana retailer or employee of a retail outlet may open or consume, or allow to be opened or consumed, any marijuana concentrates, useable marijuana, or marijuana-infused product on the outlet premises.

The LCB has adopted rules concerning the disposal of waste generated by marijuana producers and processors, which includes a process of grinding and incorporating marijuana and marijuana products into a mixture that is at least 50 percent nonmarijuana waste by volume, so that the marijuana and marijuana products are unuseable.

The LCB has not adopted rules concerning disposal of marijuana and marijuana products by licensed marijuana retailers.

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**Summary of Bill:**

An exception is added to the requirement that no licensed marijuana retailer or employee of a retail outlet may open or consume, or allow to be opened or consumed, any marijuana concentrates, useable marijuana, or marijuana-infused product on the outlet premises in order to allow for disposal as authorized by the LCB.

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**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date:** The bill takes effect on July 1, 2016.

**Staff Summary of Public Testimony:**

(In support) This is a common step approach to implementing the I-502 framework.

(Opposed) None.

**Persons Testifying:** Representative Wylie, prime sponsor.

**Persons Signed In To Testify But Not Testifying:** None.