

# HOUSE BILL REPORT

## SB 5903

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

**Title:** An act relating to restricting certain methods of selling marijuana.

**Brief Description:** Restricting certain methods of selling marijuana.

**Sponsors:** Senators Bailey, Braun and Warnick.

**Brief History:**

**Committee Activity:**

Commerce & Gaming: 3/23/15, 3/26/15 [DPA].

**Brief Summary of Bill**  
**(As Amended by Committee)**

- Authorizes a licensed marijuana retailer to use a vending machine for the retail sale of marijuana products within the licensed premises, but conditioned upon: (a) approval by the Liquor Control Board; and (b) compliance with adopted regulations.
- Prohibits a licensed marijuana retailer from operating a drive-through purchase facility where marijuana products are sold at retail and dispensed through a window or door to a purchaser.

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### HOUSE COMMITTEE ON COMMERCE & GAMING

**Majority Report:** Do pass as amended. 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:** Thamas Osborn (786-7129).

**Background:**

Initiative Measure No. 502 (I-502) was a ballot measure approved by Washington voters in November of 2012 that: (a) legalized the production, processing, possession, and personal use of marijuana; (b) created a framework for a regulatory scheme to be further developed by

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the Liquor Control Board (LCB) through its rule-making authority; and (c) revised provisions in criminal statute to accommodate such legalization in accordance with the requirements of the initiative.

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

- legalizing the personal use and possession of up to 1 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;
- providing the LCB with rule-making authority regarding 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.

Under I-502 and the rules adopted by the LCB, licensed retailers may sell marijuana and marijuana products to the public from premises approved by the LCB. There are no statutory or regulatory provisions governing the sale of marijuana from a vending machine or a drive-through facility.

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### **Summary of Amended Bill:**

A licensed marijuana retailer may use a vending machine for the retail sale of useable marijuana, marijuana concentrates, and marijuana-infused products, subject to approval from the LCB prior to the installation or use of the machine. The LCB is granted general authority to adopt vending machine rules, including rules governing:

- the operational characteristics of the vending machines;
- identification and age verification processes and requirements for customers who make purchases from the machines;
- the location of vending machines within the licensed premises and measures to prevent access to the machines by persons under age 21;
- the types and quantities of marijuana-related products that may be purchased from the vending machines; and
- signs and labeling that must be affixed to vending machines pertaining to public health and safety notifications, legal warnings and requirements, and other disclosures and information as deemed necessary by the LCB.

A licensed marijuana retailer is prohibited from operating a drive-through purchase facility where marijuana products are sold at retail and dispensed through a window or door to a

purchaser, who is either in or on a motor vehicle or otherwise located outside of the licensed premises at the time of sale.

**Amended Bill Compared to Original Bill:**

The amended bill makes the following changes to the original bill:

- authorizes the use of vending machines by a licensed marijuana retailer, provided such use is approved by the LCB and complies with specified regulations; and
- strikes the criminal penalty for the unlawful operation of a drive-through purchase facility at the premises of a licensed marijuana retailer, but allows for monetary and other regulatory sanctions by the LCB for such violations.

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**Appropriation:** None.

**Fiscal Note:** Not requested.

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

**Staff Summary of Public Testimony:**

(In support) There is currently no legal prohibition against marijuana-product vending machines or the operation of a drive-through retail facility for the purchase of marijuana products. This bill would remedy the problem by prohibiting both. Vending machines pose particular risks for children, since they could access the machines in order to make purchases. Child access would be particularly problematic if the machines dispense edible products that look like candy or baked goods. Another problem is that the machines would allow a single individual to make multiple purchases of marijuana, exceeding legal limits on such purchases. Banning these machines makes sense until we better understand the risks they pose. If this bill is not passed, marijuana vending machines will begin appearing in licensed retail stores and are likely to proliferate.

(Opposed) The vending machines that will be used are highly sophisticated and will have computerized systems for identifying the user and verifying age. Furthermore, the machines will only be allowed in licensed retail stores where minors are prohibited. The process for purchasing products from the machine ensures that the customer is not a minor. First, the customer must show identification at the door of the retailer to gain entry to the store. Only then will the customer have access to the machine, and the machine itself will utilize identification and age- verification software. The same types of vending machines are already being used in drug stores. Drive-through retail facilities also make sense and pose no risk to the public. Minors could not use them insofar as age-verifying identification would be required in order to make a purchase. Also, drive-through facilities would be convenient for customers and make it easier for retailers to handle high-volume customer traffic.

**Persons Testifying:** (In support) Senator Bailey, prime sponsor; and James Paribello, Liquor Control Board.

(Opposed) David Gwyther, Ken Steiner, and Carl Nelson, American Green; and Arthur West, National Freedom Alliance.

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