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## Commerce & Gaming Committee

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### HB 1152

**Brief Description:** Concerning licensing agreements and consulting contracts for licensed marijuana businesses.

**Sponsors:** Representatives Blake and Vick.

#### Brief Summary of Bill

- Authorizes licensed marijuana businesses to enter into certain licensing agreements or consulting contracts with other businesses and requires any such agreements or contracts to be disclosed to the Liquor & Cannabis Board.
- Withholds from disclosure under the Public Records Act any trade secrets, technology, proprietary information, and financial considerations contained in any agreements or contracts entered into by a licensed marijuana business.

**Hearing Date:** 1/30/17

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

#### **Background:**

##### Licensed Marijuana Businesses.

The Liquor & Cannabis Board (LCB) issues the following licenses to qualified individuals and businesses, subject to requirements: (1) marijuana producer license; (2) marijuana processor license; (3) marijuana retailer license; (4) marijuana researcher license; and (5) marijuana transporter license. During the licensing and regulatory processes, the LCB obtains detailed information about the licensees' business operations as well as personal information.

##### Exemptions from Disclosure under the Public Records Act with Respect to Information Pertaining to Marijuana Businesses.

The Public Records Act (PRA) generally requires that, upon request by a member of the public, any state or local government agency must make available any public record maintained by the state or local government agency. The term "public record" is broadly defined. Among the

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various exemptions to the general rule of disclosure of public records are several exemptions related to information submitted to or obtained by the LCB during the licensing or regulatory process with respect to marijuana businesses.

Exemptions from disclosure under the PRA exist for the following information, which may be submitted to or obtained by the LCB, with respect to marijuana businesses:

- financial institution and retirement account information, and building security plan information;
- marijuana transport information, vehicle and driver identification data, and account numbers or unique access identifiers issued to private entities for traceability system access; and
- proprietary financial, commercial, operations, and technical and research information and data from applications from marijuana research licensees applications or reports.

### **Summary of Bill:**

#### Licensed Marijuana Businesses.

Licensed marijuana businesses are authorized to enter into licensing agreements or consulting contracts with any individual, business entity, or nonprofit entity, for any goods or services that are registered trademarks, unregistered trademarks, trade names, or trade dress, and for any trade secrets, technology, or proprietary information used to manufacture a marijuana product or used to provide a service related to a marijuana business. All such agreements or contracts entered into by a licensed marijuana business must be disclosed to the LCB.

#### Exemptions from Disclosure under the Public Records Act with Respect to Information Pertaining to Marijuana Businesses.

Trade secrets, technology, proprietary information, and financial considerations contained in any agreements or contracts entered into by a licensed marijuana business, which may be submitted to or obtained by the LCB, is exempt from disclosure under the PRA.

**Appropriation:** None.

**Fiscal Note:** Available.

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