
Commerce & Gaming Committee

HB 2472

Brief Description: Ensuring reasonable terms of payment are available to marijuana retailers when contracting with marijuana processors for the purchase of marijuana products.

Sponsors: Representatives Vick, Blake, Sawyer, Condotta, Kloba and Young.

Brief Summary of Bill

- Authorizes a contract between a marijuana processor and a marijuana retailer for the purchase and sale of marijuana products to allow the marijuana retailer to tender full or final payment to the marijuana processor on a date after the date the marijuana products are delivered to or received by the marijuana retailer.
- Requires any such contract to require the marijuana retailer to tender full or final payment to the marijuana processor on a date not more than 15 calendar days after the date the marijuana products are delivered to or received by the marijuana retailer.

Hearing Date: 1/15/18

Staff: Peter Clodfelter (786-7127).

Background:

The commercial marijuana licenses issued by the Liquor and Cannabis Board (LCB) include the following three licenses: (1) marijuana producer license; (2) marijuana processor license; and (3) marijuana retailer license.

A licensed marijuana producer may also be a licensed marijuana processor. However, neither a licensed marijuana producer nor a licensed marijuana processor may have a direct or indirect financial interest in a licensed marijuana retailer.

Licensed marijuana producers may produce marijuana for sale at wholesale to marijuana processors and other marijuana producers. Licensed marijuana processors may process, package,

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and label marijuana concentrates, useable marijuana, and marijuana-infused products for sale at wholesale to marijuana processors and marijuana retailers.

Through rule-making, the LCB regulates what methods of payment may be made by a licensed marijuana producer, processor, or retailer when purchasing marijuana products. Pursuant to the LCB's rules, a marijuana licensee must pay cash for marijuana prior to or at the time of delivery.

The LCB recognizes the following forms of payment as cash payment, subject to certain requirements: (1) checks; (2) credit/debit cards; (3) electronic funds transfer; (4) prepaid accounts; and (5) transactions using a money transmitter.

The term "marijuana products" includes useable marijuana, marijuana concentrates, and marijuana-infused edible products in solid and liquid form.

Summary of Bill:

It is specified that a contract between a marijuana processor and a marijuana retailer for the purchase and sale of marijuana products may allow the marijuana retailer to tender full or final payment to the marijuana processor on a date after the date the marijuana products are delivered to or received by the marijuana retailer.

However, such a contract must require the marijuana retailer to tender full or final payment to the marijuana processor on a date not more than 15 calendar days after the date the marijuana products are delivered to or received by the marijuana retailer.

The authorization and requirement applicable to certain contracts for the purchase and sale of marijuana products applies to contracts entered or renewed on or after the effective date of the act.

Appropriation: None.

Fiscal Note: Not requested.

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