
Commerce & Gaming Committee

HB 2473

Brief Description: Concerning private label marijuana.

Sponsors: Representatives Vick, Blake and Condotta.

Brief Summary of Bill

- Authorizes business arrangements among marijuana producers, processors, and retailers which enable a retailer to obtain and sell marijuana products having a private label bearing the business or trade name of the retailer.
- Authorizes the production and sale of private label marijuana products that bear the business or trade name of an entity other than the producer, processor, or retailer.

Hearing Date: 1/22/18

Staff: Thamas Osborn (786-7129).

Background:

Authority of Marijuana Businesses to Enter into Consulting Contracts or Licensing Agreements.
Licensed marijuana businesses are authorized to enter into licensing agreements or consulting contracts with any person or entity for goods or services involving registered trademarks, unregistered trademarks, trade names, or trade dress. This authority also extends to trade secrets, technology, or proprietary information related to the manufacturing of 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 Liquor and Cannabis Board.

Financial Interests in Marijuana Retailers by Producers and Processors.

Licensed marijuana producers and processors are prohibited from having a financial interest, whether direct or indirect, in a licensed marijuana retailer.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Summary of Bill:

A licensed marijuana retailer is authorized to enter into a business arrangement with a licensed producer or processor for the following purposes: (1) to obtain and sell marijuana products under a private label bearing the business or trade name of the retailer; and (2) to obtain and sell marijuana products under a private label bearing a business or trade name other than that of the retailer or the licensee that produced or processed the product. Such private label production and sales arrangements among marijuana licensees are subject to the following conditions:

- the marijuana retailer offering or selling the private label marijuana product may not have an exclusive right to sell the product; and
- the producer or processor making the private label product must make it reasonably available to any marijuana retailer.

Appropriation: None.

Fiscal Note: Available.

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