

HOUSE BILL REPORT

HB 2574

As Reported by House Committee On:
Commerce & Gaming

Title: An act relating to establishing an endorsement to the marijuana retailer's license authorizing delivery services to qualified medical marijuana patients.

Brief Description: Permitting marijuana delivery to medical marijuana patients.

Sponsors: Representatives Kloba, Sawyer, Condotta, Slatter, Robinson, Kirby, Stanford, Vick, Pollet, Wylie, Tharinger and Macri.

Brief History:

Committee Activity:

Commerce & Gaming: 1/15/18, 1/29/18 [DPS].

Brief Summary of Substitute Bill

- Requires the Liquor and Cannabis Board (LCB) to conduct a study of regulatory options and issues related to the creation of a system for the home delivery of medical marijuana products to qualifying medical marijuana patients by licensed medical marijuana retailers.
- Requires the LCB to submit findings and recommendations to the Legislature by December 1, 2018, regarding the establishment of a regulatory scheme that provides for the safe home delivery of marijuana products for medical use.

HOUSE COMMITTEE ON COMMERCE & GAMING

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 9 members: Representatives Sawyer, Chair; Kloba, Vice Chair; Condotta, Ranking Minority Member; Vick, Assistant Ranking Minority Member; Blake, Jenkin, Kirby, Ryu and Young.

Staff: Thamas Osborn (786-7129).

Background:

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.

The Liquor and Cannabis Board (LCB) issues a marijuana retailer license that authorizes the holder to sell marijuana, useable marijuana, marijuana-infused products, and marijuana concentrates to adults age 21 and over. Marijuana retailers with a medical marijuana endorsement may also sell marijuana products to qualifying patients age 18 and over who have a medical marijuana authorization or are entered into the Medical Marijuana Authorization Database. Qualifying medical marijuana patients are exempt from paying sales tax on retail purchases of marijuana products. All sales of marijuana products must be conducted in person at the premises of the marijuana retail outlet and outside deliveries are prohibited.

The Governor may enter into agreements with federally recognized Indian tribes concerning matters pertaining to marijuana commerce. Such marijuana agreements may address any marijuana-related issue that involves both state and tribal interests or otherwise has an impact on tribal-state relations.

Summary of Substitute Bill:

The LCB must conduct a study of regulatory options and issues related to the creation of a system for the home delivery of medical marijuana products to qualifying medical marijuana patients by licensed medical marijuana retailers. In conducting the study, the LCB must consult with the Department of Health, industry representatives, local government officials, law enforcement officials, and any other person or entity deemed necessary to properly complete the study.

Not later than December 1, 2018, the LCB must submit findings and recommendations to the Legislature regarding the establishment of a regulatory scheme that provides for the safe home delivery of marijuana products for medical use, while at the same time ensuring the effective monitoring of the delivery process in order to minimize the likelihood of illicit activity.

Substitute Bill Compared to Original Bill:

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

- strikes all provisions of the original bill;
- requires the LCB to conduct a study of regulatory options and issues related to the creation of a system for the home delivery of medical marijuana products to qualifying medical marijuana patients by licensed medical marijuana retailers; and
- requires the LCB to submit findings and recommendations to the Legislature by December 1, 2018, regarding the establishment of a regulatory scheme that provides for the safe home delivery of marijuana products for medical use, while at the same time ensuring the effective monitoring of the delivery process in order to minimize the likelihood of illicit activity.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Substitute 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) The passage of this bill would make it possible for the elderly, the disabled, or others with special needs to have access to medical marijuana products through home delivery. Traveling to a medical marijuana retailer presents a significant obstacle for many patients and this bill would remove this obstacle. The bill has many requirements that protect the public and that enable monitoring and enforcement. Oregon allows home delivery of marijuana and has not experienced any problems.

(Opposed) None.

(Other) The idea of medical marijuana home delivery looks good on paper but would not work well in practice. Currently, only 200 marijuana retailers are participating in the medical marijuana system and this creates concerns about its economic viability. Authorizing home delivery might be hard on small retailers insofar as they might find it hard to compete. There is reason to be concerned about violent crime occurring during the delivery process. The LCB generally supports the bill but has some concerns. Technical fixes are needed with respect to prohibiting crossing state lines and compliance with statutory location restrictions. The LCB will incur significant costs to implement the bill and the traceability system will need some revision.

Persons Testifying: (In support) Representative Kloba, prime sponsor; Jedidiah Haney, Higher Influence; Philip Dawdy, Have a Heart; and Elizabeth Conway, Eaze Solutions.

(Other) Brooke Davies, Cannabis Organization of Retail Establishments; John Kingsbury, Patients United; and Justin Nordhorn, Liquor and Cannabis Board.

Persons Signed In To Testify But Not Testifying: None.