

SENATE BILL REPORT

EHB 1858

As of April 19, 2017

Title: An act relating to increasing marijuana license fees and adding a temporary additional fee on marijuana licenses issued by the Washington state liquor and cannabis board.

Brief Description: Increasing marijuana license fees and adding a temporary additional fee on marijuana licenses issued by the Washington state liquor and cannabis board.

Sponsors: Representatives Sawyer, Appleton and Kloba; by request of Liquor and Cannabis Board.

Brief History: Passed House: 4/18/17, 73-23.

Committee Activity: Ways & Means: 4/20/17.

Brief Summary of Bill

- Imposes an additional temporary fee on all applications and renewals of marijuana-related licenses issued under chapter 69.50 RCW. The fee expires on June 30, 2018.
- Increases the annual fee for the issuance and renewal of all marijuana-related licenses.

SENATE COMMITTEE ON WAYS & MEANS

Staff: Dean Carlson (786-7305)

Background: Licensing of Marijuana Producers, Processors, and Retailers. The Liquor and Cannabis Board (LCB) issues three categories of commercial marijuana licenses: (1) the marijuana producer's license entitles the holder to produce marijuana for sale at wholesale to licensed marijuana processors or other producers; (2) the marijuana processor's license entitles the holder to process, package, and label marijuana for sale at wholesale to marijuana retailers and other processors; and (3) the marijuana retailer's license entitles the holder to sell marijuana products at retail prices in retail outlets. The annual fee for each of the licenses is \$1,000.

Marijuana Research License. In 2015, a marijuana research license was authorized to permit a licensee to produce and possess marijuana to test chemical potency and composition levels;

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.

conduct clinical investigations of marijuana-derived drug products; conduct research on the efficacy and safety of administering marijuana as part of a medical treatment; and conduct genomic or agricultural research.

The LCB is assigned the lead role in the oversight and review of projects submitted by marijuana research license applicants. The LCB must select a scientific reviewer to evaluate project proposals. Marijuana research license applicants must submit to the designated scientific reviewer a description of the research the applicant intends to conduct. The scientific reviewer must then review the project and determine if it meets one of the permitted research purposes. The application is rejected if the scientific reviewer finds that the proposed project does not meet the project criteria established under statute.

The application fee for a marijuana research license is \$250. The annual fee for issuance and renewal of the license is \$1,000.

Summary of Bill: Temporary Fee for Marijuana-Related Licenses. An additional temporary fee is imposed on all applications and renewals of marijuana-related licenses issued under chapter 69.50 RCW. This fee is applicable to all license applications and modifications received on or after the effective date of the act. It is also applicable to those license renewal applicants whose license expiration is on or after June 30, 2017. This additional temporary fee is applicable to licenses pertaining to marijuana production, processing, retailing, and research. The temporary fee expires as of June 30, 2018.

The temporary fee imposed on marijuana processors, retailers, and researchers is \$480.

The temporary fee imposed on marijuana producers is a graduated fee based upon the size of the producer, as follows: (1) \$185 for tier one producers; (2) \$365 for tier two producers; and (3) \$750 for tier three producers.

Increase in Annual Fee for the Issuance and Renewal of Marijuana-Related Licenses. The annual fee for the issuance and renewal of marijuana processor, retailer, and research licenses is increased from \$1,000 to \$1,300.

The annual fee for the issuance and renewal of a marijuana producer's license is a graduated fee based upon the size of the producer, as follows: (1) \$1,115 for tier one producers; (2) \$1,230 for tier two producers; and (3) \$1,470 for tier three producers.

Appropriation: None.

Fiscal Note: Available.

Creates Committee/Commission/Task Force that includes Legislative members: No.

Effective Date: Ninety days after adjournment of session in which bill is passed, except for sections 2 and 3, relating to increases in the licensing fees for marijuana producers, which take effect July 1, 2018.