

ESSB 5318 - H AMD TO APP COMM AMD (H-2875.1/19) **695**

By Representative Stanford

ADOPTED 04/16/2019

1 On page 2, line 35 of the striking amendment, after "(ii)" strike
2 "Intentional furnishing" and insert "Furnishing"

3
4 On page 2, line 38 of the striking amendment, after
5 "requirements;" strike "or"

6
7 On page 2, line 39 of the striking amendment, after "crimes"
8 insert ";or"

9 (v) Knowingly making a misrepresentation of fact to the board, an
10 officer of the board, or an employee of the board related to conduct
11 or an action that is, or is alleged to be, any of the violations
12 identified in (c)(i) through (c)(iv) of this subsection (1)"

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14 On page 6, line 36 of the striking amendment, after "(ii)" strike
15 "Intentional furnishing" and insert "Furnishing"

16
17 On page 6, line 39 of the striking amendment, after
18 "requirements;" strike "or"

19
20 On page 7, line 1 of the striking amendment, after "crimes;"
21 insert "or"

22 (v) Knowingly making a misrepresentation of fact to the board, an
23 officer of the board, or an employee of the board related to conduct
24 or an action that is, or alleged to be, any of the violations
25 identified in (b)(i) through (b)(iv) of this subsection (2)"

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1 On page 7, beginning on line 10 of the striking amendment, after
2 "(e)" strike all material through "violation" on line 12 and insert
3 "Must give substantial consideration to mitigating any penalty imposed
4 on a licensee when there is employee misconduct that led to the
5 violation and"

6
7 On page 7, line 26 of the striking amendment, after "(b)" strike
8 "Intentional furnishing" and insert "Furnishing"

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10 On page 7, line 29 of the striking amendment, after
11 "requirements;" strike "or"

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13 On page 7, line 30 of the striking amendment, after "crimes"
14 insert "; or"

15 (e) Knowingly making a misrepresentation of fact to the board, an
16 officer of the board, or an employee of the board related to conduct
17 or an action that is, or is alleged to be, any of the violations
18 identified in (a) through (d) of this subsection (3)"

EFFECT: Strikes the word "intentional" from the provisions related to a violation involving the intentional furnishing of marijuana product to minors, so the Liquor and Cannabis Board (LCB) must prove by a preponderance of the evidence a licensee furnished marijuana product to minors, but not that the action was intentional, for the LCB to issue a marijuana licensee a civil penalty without first issuing a notice of correction, cancel a license for a single violation, or consider violations that occurred more than two years prior as grounds for license denial, suspension, revocation, cancellation, or nonrenewal.

Modifies the provisions regarding employee misconduct leading to a violation, to provide that the LCB must give substantial consideration to mitigating any penalty imposed on a licensee when there is employee misconduct that led to the violation and the licensee: (1) established a compliance program designed to prevent the violation; (2) performed meaningful training with employees designed to prevent the violation; and (3) had not enabled or ignored the violation or other similar violations in the past.

Adds the following circumstances when the LCB may issue a civil penalty to a marijuana licensee without first issuing a notice of

correction, cancel a license for a single violation, or consider violations occurring more than two years prior in making licensing decisions: Knowingly making a misrepresentation of fact to the LCB, an officer of the LCB, or an employee of the LCB related to conduct or an action that is, or alleged to be, any of four specific violations identified in the act (i.e., diversion of marijuana product to the illicit market; furnishing of marijuana to minors; diversion of revenue to criminal enterprises; or the commission of nonmarijuana-related crimes).

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