

SENATE BILL REPORT

SHB 1415

As Passed Senate, April 16, 2019

Title: An act relating to funding the medical marijuana authorization database.

Brief Description: Modifying funding of the medical marijuana authorization database.

Sponsors: House Committee on Appropriations (originally sponsored by Representatives Schmick and Cody; by request of Department of Health).

Brief History: Passed House: 3/08/19, 97-0; 3/08/19, 98-0.

Committee Activity: Ways & Means: 4/03/19, 4/09/19 [DP, DNP, w/oRec].

Floor Activity:

Passed Senate: 4/16/19, 48-0.

Brief Summary of Bill

- Ends use of the Health Professions Account for the administration of the Medical Marijuana Authorization database.
- Requires that fees collected for the recognition card issued by a medical marijuana retailer with a medical marijuana endorsement be deposited in the Dedicated Marijuana Account.

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: Do pass.

Signed by Senators Rolfes, Chair; Frockt, Vice Chair, Operating, Capital Lead; Mullet, Capital Budget Cabinet; Billig, Carlyle, Conway, Darneille, Hasegawa, Hunt, Keiser, Liias, Palumbo, Pedersen, Schoesler, Van De Wege, Wagoner and Warnick.

Minority Report: Do not pass.

Signed by Senator Honeyford, Assistant Ranking Member, Capital.

Minority Report: That it be referred without recommendation.

Signed by Senators Braun, Ranking Member; Brown, Assistant Ranking Member, Operating; Bailey and Becker.

Staff: Michele Alishahi (786-7433)

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.

Background: Medical Marijuana Authorization Database. In 2015, the Department of Health (DOH) developed and implemented the Medical Marijuana Authorization database (database). Information about a qualifying patient or their provider may be placed in the database at a marijuana retailer with a medical marijuana endorsement. If information is placed in the database, the patient or provider must be provided a recognition card that contains certain identifiers, including a randomly generated and unique identifying number, a photograph, an effective date, and an expiration date. DOH must charge a \$1 fee for each initial and renewal recognition card to be collected by a marijuana retailer with a medical marijuana endorsement. The fees collected are deposited into the Health Professions Account.

Health Professions Account. The Health Professions Account is an appropriated account. Fees received by DOH for health professions, including those for licenses, registration, certifications, renewals, and compact privileges, as well as civil penalties assessed and collected by DOH must be deposited into this account. Expenses incurred in carrying out licensing activities for health professions and for implementing and administering the database are paid from the Health Professions Account.

Dedicated Marijuana Account. The Dedicated Marijuana Account is an appropriated account. All monies received by the Liquor and Cannabis Board from marijuana-related activities must be deposited in this account. These monies include marijuana excise taxes collected from sales of marijuana and marijuana products, license fees, penalties, and forfeitures from marijuana producers, processors, researchers, and retailers. Monies from the account are distributed to agencies, local governments, and to the Basic Health Plan Trust Account. At the end of each fiscal year, unappropriated amounts in the Dedicated Marijuana Account are transferred to the state general fund.

Summary of Bill: The Health Professions Account may no longer be used to provide funding for administering the database. Fees collected for the recognition cards used by marijuana retailers must be deposited into the Dedicated Marijuana Account, instead of the Health Professions Account.

Appropriation: None.

Fiscal Note: Available.

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

Effective Date: The bill contains an emergency clause and takes effect on July 1, 2019.

Staff Summary of Public Testimony: PRO: The current law process is for DOH to spend health professions funds, then come back each year to the Legislature to be reimbursed. This bill replaces the reimbursement mechanism with a direct appropriation from the marijuana fund, so there is no net fiscal impact. The marijuana account either spends the funds up front with this bill, or on the back end with the current process.

Last year, the State Auditor's Office audited the operations of the Health Professions Account. One recommendation in the report was for the Legislature to find alternative funding for the ongoing maintenance costs of the database.

Persons Testifying: PRO: Sean Graham, Washington State Medical Association; Ryan Black, DOH.

Persons Signed In To Testify But Not Testifying: No one.