
Commerce & Gaming Committee

HB 1710

Brief Description: Establishing a Washington state cannabis commission.

Sponsors: Representatives Shewmake, Ramel, Harris-Talley and Kloba.

Brief Summary of Bill

- Establishes the Washington State Cannabis Commission (Commission) consisting of cannabis producers, producers/processors, and the Director of the Washington State Department of Agriculture (WSDA).
- Specifies purposes of the Commission including related to planning and conducting programs, research, advising government agencies, reviewing market metrics, educating and advising cannabis producers, limiting youth access, and other specified purposes.
- Grants the Commission powers and duties related to internal governance, employment and contracting, cooperating with other entities and persons, acquiring and owning intellectual property rights, representing the state, adopting rules, and other specified powers.
- Requires the Commission to submit a research plan, an education and training plan, and the Commission's budget each fiscal year to the Director of the WSDA for approval.

Hearing Date: 1/11/22

Staff: Peter Clodfelter (786-7127)

Background:

There are 21 agricultural commodity commissions related to specific commodities in

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Washington. Commissions are funded by assessments on producers of the commodities within Washington. Several of the commodity commissions are established in law, including the Washington Apple Commission, the Washington Dairy Products Commission, the Washington Wine Commission, the Washington Beer Commission, the Washington Grain Commission, and others. The Washington State Department of Agriculture (WSDA) established additional agricultural commodity commissions through a process in the Washington Agricultural Enabling Act. The Director of the WSDA, or the Director's authorized representative, is a member of each commodity commission.

Summary of Bill:

Establishment of the Washington State Cannabis Commission.

The Washington State Cannabis Commission (Commission) is established, consisting of 13 voting members including the Director of the Washington State Department of Agriculture (Director) and representatives of licensed cannabis producers and producer/processors located throughout the state.

Purposes.

The Commission's purposes are the following:

- planning and conducting cannabis-related programs;
- providing for research;
- advising government agencies and interested persons on cannabis-related matters;
- cooperating with interested parties toward standardization of methods;
- advising on packaging and labeling requirements;
- conducting reviews, surveys, and inquiries regarding market metrics and trends;
- informing and advising producers and producers/processors;
- educating and training producers, producers/processors, researchers, and their employees;
- providing resource conservation-related information and services;
- assisting and cooperating with government agencies in investigating and controlling pests, diseases and other adverse factors;
- advancing knowledge and practice of the production of cannabis in Washington;
- fostering conditions favorable to investment in the production of Washington cannabis;
- limiting youth access and exposure to cannabis; and
- enabling producers and producers/processors, with the aid of the state, to develop and engage in research, provide uniform grading and proper preparation of cannabis commodities for market, protect the interest of consumers, discover and develop new and improved cultivars, and advance knowledge and the practices of processing cannabis in Washington.

Powers and Duties.

The Commission's powers and duties are the following:

- electing a chair and adopting and amending rules of internal governance;
- employing and discharging administrators, staff, professional consultants, and service providers;

- designating a public records officer, rules coordinator, and other representatives;
- acquiring personal property, purchasing or leasing office space and other necessary real property, and transferring or conveying property;
- instituting legal actions;
- keeping accurate records that are open to inspection and audit;
- making disbursements and expending funds;
- cooperating with interested parties;
- serving as liaison with the Washington State Liquor and Cannabis Board (LCB) and all other interested parties on behalf of the Commission;
- entering into contracts or cooperative agreements for research or interagency agreements;
- soliciting, accepting, and expending or retaining gifts bequests, contributions, and grants;
- retaining private legal counsel in emergent situations to conduct actions on behalf of the Commission subject to appointment or approval by the Office of the State Attorney General;
- engaging in appropriate activities and events;
- participating in hearings, meetings, and other proceedings in all matters relating to cannabis and reporting activities to the Public Disclosure Commission if applicable;
- obtaining from the LCB a list of the names and addresses of producers, processors, and retailers, and other available data from the state as requested by the Commission to be used to disseminate information among and solicit the opinions of producers and producer/processors;
- acquiring, creating, developing, and owning intellectual property rights and collecting royalties resulting from the sale or licensing of commission-funded research;
- speaking on behalf of the Washington State government regarding cannabis subject to oversight of the Director of the Washington State Department of Agriculture (WSDA);
- possessing cannabis products for purposes of the Commission's work; and
- adopting rules and exercising other powers and duties necessary to carry out the legislation establishing the Commission.

Commission Membership.

Of the 13 voting members of the Commission, eight must be cannabis producers or producers/processors located in four districts throughout the state, and four members must be elected statewide representing producers or producer/processors of different sizes. Initial commission members are appointed by the Director for initial staggered terms of one, two, or three years. Thereafter, members of the Commission other than the Director are elected by a vote of qualified producers or producer/processors in each district for three-year terms. When making initial appointments and replacement appointments, the Director must consider appointments based upon maintaining a balanced and diverse distribution of members based on disproportionately impacted communities, ethnicity, geographic location, gender identity, sexual orientation, and age, where practicable. Members must be reimbursed for expenses incurred in the performance of their duties in accordance with state law.

Advisory Council.

A nonvoting advisory council is created to assist the Commission. The Director must appoint

members of the advisory council, including a processor member and a testing laboratory member. Advisory council members must be considered from a pool of self-nominated active business representatives from each business type. Each Commission member and advisory council member, other than the Director of the WSDA, must be at least 21 years of age, a citizen and resident of Washington, must directly hold or be a named owner in whole or in majority part of an entity holding the relevant license, and must be engaged in and derive a substantial portion of their income from the production of cannabis within Washington for a period of three years.

Approval of Plans and Budget.

The Commission must prepare and submit to the Director for approval its research plan, education and training plan, and budget for each fiscal year. The Commission must also submit for approval plans, programs, and projects including related to education, research, and market development. All costs incurred by the WSDA, including the adoption of rules and other actions necessary to carry out the legislation, must be reimbursed by the Commission.

Assessments on Producers and Producers/Processors.

The Commission is funded by agricultural commodity assessments that the Washington State Liquor and Cannabis Board (LCB) must levy on cannabis producers and producer/processors. Beginning on October 31, 2022, the assessment on each producer licensee is 0.29 percent of all sales revenues. Beginning on October 31, 2022, the assessment on each producer/processor licensee is 0.145 percent of all sales revenues. The Commission must deposit money collected in a separate account in the Commission's name in any bank that is a state depository. All expenditures and disbursements made from this account under this chapter may be made without the necessity of a specific legislative appropriation.

Information Sharing.

Financial and commercial information and records submitted to either the LCB or the Commission to administer the law establishing the Commission may be shared between the LCB and the Commission. They may also be used, if required, in any suit or administrative hearing involving the law establishing the Commission.

Liability.

It is specified that obligations incurred by and claims against the Commission must be enforced against the Commission, not against the State of Washington, and that individual members and employees of the Commission may not be held responsible for errors, mistakes, or other acts or omissions, except for their individual acts of dishonesty or crimes.

Civil Service Law Exception.

Officers and employees of the Commission are included in the exceptions to the State Civil Service Law.

Appropriation: None.

Fiscal Note: Available.

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