

HOUSE BILL REPORT

SHB 1249

As Passed Legislature

Title: An act relating to limits on the sale and possession of retail cannabis products.

Brief Description: Regarding limits on the sale and possession of retail cannabis products.

Sponsors: House Committee on Regulated Substances & Gaming (originally sponsored by Representatives Corry and Reeves).

Brief History:

Committee Activity:

Regulated Substances & Gaming: 1/16/23, 2/6/23 [DP], 1/9/24, 1/15/24 [DPS].

Floor Activity:

Passed House: 2/10/24, 88-9.

Passed Senate: 2/22/24, 47-1.

Passed Legislature.

Brief Summary of Substitute Bill

- Authorizes cannabis retailers to sell additional amounts of certain cannabis-infused product in liquid form to a retail customer in a single transaction.
- Authorizes persons 21 years of age or older to possess and, subject to requirements in current law, to transfer additional amounts of certain cannabis-infused product in liquid form to another person or persons 21 years of age or older.

HOUSE COMMITTEE ON REGULATED SUBSTANCES & GAMING

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 11 members: Representatives Kloba, Co-Chair; Wylie, Co-Chair; Stearns, Vice Chair; Chambers, Ranking Minority Member; Robertson, Assistant Ranking Minority

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not part of the legislation nor does it constitute a statement of legislative intent.

Member; Caldier, Cheney, Morgan, Orwall, Reeves and Waters.

Staff: Peter Clodfelter (786-7127).

Background:

Licensed cannabis retailers and their employees, pursuant to Liquor and Cannabis Board (LCB) rules, may legally sell in a transaction any combination of the following amounts of cannabis products to a person 21 years of age or older:

- 1 ounce of useable cannabis;
- 16 ounces of cannabis-infused product in solid form;
- 72 ounces of cannabis-infused product in liquid form; and
- 7 grams of cannabis concentrate.

Persons 21 years of age or older may not legally possess a combined total of more than those amounts of cannabis products, unless the person is a qualifying patient or designated provider. Cannabis licensees and their employees are prohibited from conducting a transaction that facilitates an individual in obtaining more than the personal possession amount.

A person 21 years of age or older may transfer to another person or persons 21 years of age or older, within a single 24 hour period, for noncommercial purposes and not conditioned upon or done in connection with the provision or receipt of financial consideration, an amount of cannabis products equal to half of the possession limits for persons 21 years of age or older.

The LCB's rules establish that a single serving of a cannabis-infused product may not exceed 10 milligrams of active tetrahydrocannabinol (THC), and a package is limited to 10 servings or 100 milligrams of active THC.

Summary of Substitute Bill:

New authorization is provided for cannabis retailers to sell 200 milligrams of THC within a cannabis-infused product in liquid form, to a retail customer, if the product is packaged in individual units containing no more than 4 milligrams of THC per unit. This new authorization is in addition to the current authorization for licensed cannabis retailers and their employees to sell specified amounts of different cannabis products to a retail customer in a single transaction.

Persons 21 years of age or older may legally possess this additional amount of cannabis-infused product in liquid form. Persons 21 years of age or older may also transfer to another person or persons 21 years of age or older, within a 24 hour period, for noncommercial purposes and not conditioned upon or done in connection with the provision or receipt of financial consideration, 100 milligrams of THC within a cannabis-infused

product in liquid form if the product is packaged in individual units containing no more than 4 milligrams of THC per unit.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date: 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 bill effectively creates a new product category for low-dose liquid cannabis products, and allows cannabis retailers to sell additional amounts of these products in a transaction. There is an emerging product market for lower-THC cannabis products, but the statutory structure creates barriers for consumers to purchase and companies to produce these products in liquid form. In 2012, Initiative 502 (I-502) set the transaction limit on products in liquid form at 72 ounces by limiting the total volume of the product's contents, regardless of differences in amounts of THC between different liquid products. As an example, a consumer opting for a low-dose cannabis beverage would be limited to purchasing a six-pack of 12-ounce cans each of which has only a couple milligrams of THC; but a consumer opting for a different liquid cannabis product could purchase a total of 72 ounces between 72 small containers that, overall, have significantly more milligrams of total THC. The incentives for creating new products are not properly aligned, incentivizing high-THC products. Lower-THC products are more social. Consumers appreciate the experience of relaxation without feeling significantly or uncomfortably impacted. Currently, a two-adult household must make multiple trips to a retail store per week to obtain a quantity of low-THC liquid product that could reasonably be consumed within one week. California and Minnesota are allowing low-dose THC products to be legally sold in the general market by major retailers under the federal Farm Bill. While not taking that approach, this bill could further reduce the illicit market in Washington by increasing access within the I-502 system, and complement goals of legislation enacted during the 2023 Regular Session relating to THC products. The restrictions in I-502 worked initially, but after 10 years it is time for changes. The tradition in Washington of craft wine and beer can be continued by reducing barriers to Washington companies producing craft cannabis products and consumers accessing these products.

(Opposed) None.

Persons Testifying: Representative Chris Corry, prime sponsor; Caitlein Ryan, The Cannabis Alliance; Doug Henderson, Painted Rooster Cannabis Company; and Jessica Hostetler, Washington CannaBusiness Association.

Persons Signed In To Testify But Not Testifying: None.