

# HOUSE BILL REPORT

## HB 2227

---

**As Reported by House Committee On:**  
Commerce & Gaming  
Appropriations

**Title:** An act relating to the laboratory testing of marijuana products.

**Brief Description:** Concerning the laboratory testing of marijuana products.

**Sponsors:** Representatives Sawyer and Condotta.

**Brief History:**

**Committee Activity:**

Commerce & Gaming: 6/19/17, 1/15/18, 1/30/18 [DPS];  
Appropriations: 2/3/18, 2/6/18 [DP2S(w/o sub COG)].

**Brief Summary of Second Substitute Bill**

- Shifts responsibility from the Liquor and Cannabis Board (LCB) to the Department of Ecology (DOE) with respect to the accreditation of licensed marijuana testing laboratories.
- Requires that marijuana testing laboratories meet laboratory accreditation requirements established by the DOE.
- Authorizes the DOE to collect fees from marijuana product testing laboratories sufficient to cover the costs of implementing the laboratory accreditation program.
- Grants rulemaking authority to both the LCB and the DOE.
- Requires that by January 15, 2019, the DOE must report to the Legislature with recommendations regarding marijuana product testing laboratory accreditation standards.
- Authorizes a temporary additional fee of \$86 imposed on all marijuana license applications and renewals; the fee expires June 30, 2021.

---

### HOUSE COMMITTEE ON COMMERCE & GAMING

---

*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.*

**Majority Report:** The substitute bill be substituted therefor and the substitute bill do pass. Signed by 7 members: Representatives Sawyer, Chair; Kloba, Vice Chair; Condotta, Ranking Minority Member; Blake, Jenkin, Kirby and Ryu.

**Minority Report:** Do not pass. Signed by 1 member: Representative Young.

**Minority Report:** Without recommendation. Signed by 1 member: Representative Vick, Assistant Ranking Minority Member.

**Staff:** Thamas Osborn (786-7129).

### **Background:**

#### Marijuana Product Testing in Washington State.

Statute requires that all licensed marijuana producers and processors submit samples of their products for testing by independent laboratories meeting certification requirements established by the Liquor and Cannabis Board (LCB). The certification requirements for such testing laboratories have been established by the LCB through administrative rulemaking and are not specified in statute. The purpose of such product testing is to ensure that the marijuana products marketed to consumers meet quality assurance and product safety requirements consistent with the standards established by the LCB for such products. The LCB's marijuana product quality standards require that the laboratory testing process include the following: (1) potency analysis; (2) microbial analysis; (3) pesticide analysis; (4) heavy metals analysis; and (5) residual solvent analysis.

The LCB has contracted with the Center for Laboratory Sciences at Columbia Basin College (Pasco, Washington) to conduct and administer the certification process for marijuana product testing laboratories.

#### Licenses.

The fee for licenses for marijuana producers, processors, and retailers is set in statute. Beginning July 1, 2018, the fee is \$1,300 for both the original application and each annual renewal.

---

### **Summary of Substitute Bill:**

The act shifts responsibility from the LCB to the Department of Ecology (DOE) with respect to the accreditation of licensed marijuana product testing laboratories. Such laboratories must meet laboratory accreditation requirements established by the DOE in order to ensure compliance with quality assurance and marijuana product standards established by the LCB. The DOE is authorized to collect fees from marijuana product testing laboratories sufficient to cover the costs of implementing the laboratory accreditation program.

Both the LCB and the DOE are granted the rulemaking authority necessary to implement the act.

By January 15, 2019, the DOE must report to the Legislature with recommendations regarding marijuana product testing laboratory accreditation standards.

**Substitute Bill Compared to Original Bill:**

The substitute bill makes the following changes to the original bill:

- eliminates all provisions pertaining to the adoption of the laboratory standards established by the International Organization for Standardization;
- shifts responsibility from the LCB to the DOE with respect to the accreditation of licensed marijuana product testing laboratories;
- requires that marijuana product testing laboratories meet laboratory accreditation requirements established by the DOE with respect to inspection and testing to ensure compliance with quality assurance and marijuana product standards;
- authorizes the DOE to collect fees from marijuana product testing laboratories sufficient to cover the costs of implementing the laboratory accreditation program;
- grants rulemaking authority to both the LCB and the DOE; and
- requires that by January 15, 2019, the DOE must report to the Legislature with recommendations regarding marijuana product testing laboratory accreditation standards.

---

**Appropriation:** None.

**Fiscal Note:** Available. New fiscal note requested for substitute on January 30, 2018.

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

**Staff Summary of Public Testimony:**

(In support) It is important that laboratories be required to operate in compliance with stringent standards. Laboratories need oversight by the state, and there should be enforcement mechanisms to ensure that standards are met.

(Opposed) None.

(Other) Laboratory standards are essential, but it is doubtful that the laboratory standards developed by the International Organization for Standardization are a good fit for marijuana product testing laboratories. New laboratory standards are not needed and this bill adds another layer to an already complicated process. The LCB is struggling with establishing laboratory standards and is working with the Washington State Department of Agriculture (WSDA) to establish such standards. The WSDA has the expertise necessary to oversee the marijuana product testing laboratories.

**Persons Testifying:** (In support) Representative Sawyer, prime sponsor; and Jedidiah Haney, Higher Influence.

(Opposed) None.

(Other) Dana Luce, Genesis Organic Assurance Testing Laboratories; Ezra Eickmeyer; Rick Garza; and Derick Sandison, Washington State Department of Agriculture.

**Persons Signed In To Testify But Not Testifying:** None.

---

## HOUSE COMMITTEE ON APPROPRIATIONS

**Majority Report:** The second substitute bill be substituted therefor and the second substitute bill do pass and do not pass the substitute bill by Committee on Commerce & Gaming. Signed by 32 members: Representatives Ormsby, Chair; Robinson, Vice Chair; Chandler, Ranking Minority Member; MacEwen, Assistant Ranking Minority Member; Stokesbary, Assistant Ranking Minority Member; Bergquist, Buys, Caldier, Cody, Condotta, Fitzgibbon, Graves, Haler, Hansen, Harris, Hudgins, Jinkins, Kagi, Lytton, Manweller, Pettigrew, Pollet, Sawyer, Schmick, Senn, Springer, Stanford, Sullivan, Tharinger, Vick, Volz and Wilcox.

**Minority Report:** Do not pass. Signed by 1 member: Representative Taylor.

**Staff:** Linda Merelle (786-7092).

### **Summary of Recommendation of Committee On Appropriations Compared to Recommendation of Committee On Commerce & Gaming:**

The Appropriations Committee recommended the addition of a temporary fee increase of \$86 for each application and renewal of a license for a marijuana producer, processor, or retailer. The fee increase is to support the development of accreditation standards by the Department of Ecology (DOE) and for rulemaking. The fee expires June 30, 2021. Until the rules for the implementation standards for the laboratory accreditation, as developed by the DOE, become effective, the standards for laboratory accreditation adopted by the Liquor and Cannabis Board (LCB) remain in effect.

**Appropriation:** None.

**Fiscal Note:** Available. New fiscal note requested on February 8, 2018.

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

### **Staff Summary of Public Testimony:**

(In support) Hundreds of labs are accredited by the DOE, and it is a very collaborative process. With the LCB, it is very different. The LCB's process is punitive. Moving to the DOE would increase quality and safety. This bill addresses a real need for improvement.

(Opposed) None.

(Other) The bill, as written, cannot be supported. Funding for it is not in the Governor's budget, and it has significant impacts on the DOE. Another oversight agency is not necessary. What is needed is quality assurance. Each lab can do its task honestly when it is watched. Supporting enforcement would be the best use of the agency's funding.

**Persons Testifying:** (In support) Sherry Chilcutt, True Northwest, Inc.; and Mary Catherine McAleer, Association of Washington Business.

(Other) Denise Clifford and Jennifer Carlson, Department of Ecology; and Dana Luce, Genesis Organic Assurance Testing Laboratories.

**Persons Signed In To Testify But Not Testifying:** None.