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**Commerce & Gaming Committee**

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**HB 2574**

**Brief Description:** Permitting marijuana delivery to medical marijuana patients.

**Sponsors:** Representatives Kloba, Sawyer, Condotta, Slatter, Robinson, Kirby, Stanford, Vick, Pollet, Wylie, Tharinger and Macri.

**Brief Summary of Bill**

- Establishes a medical marijuana delivery endorsement to the marijuana retailer's license that authorizes the holder to provide marijuana home delivery services to qualifying medical marijuana patients age 21 or over, or to designated providers.
- Authorizes qualifying medical marijuana patients to place delivery orders for marijuana products with a qualifying retailer over the telephone or by Internet.
- Requires that medical marijuana deliveries be made to the same qualifying adult that placed the order and that the delivery be made only to a private residence, hotel, motel, or other lodging business.
- Requires that delivery persons be trained regarding age and identity verification, as well as verification that the patient is registered in the medical marijuana database.
- Grants broad rule-making authority to the Liquor and Cannabis Board to implement and administer the program.
- Authorizes tribal compacts pertaining to medical marijuana delivery services by tribal marijuana retailers, subject to the requirement that tribal regulations governing medical marijuana deliveries be substantially the same as those applicable to marijuana delivery services by state-licensed marijuana retailers with a delivery endorsement.

**Hearing Date:** 1/15/18

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

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*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:**

The Liquor and Cannabis Board (LCB) issues a marijuana retailer license that authorizes the holder to sell marijuana, useable marijuana, marijuana-infused products, and marijuana concentrates to adults age 21 and over. Marijuana retailers with a medical marijuana endorsement may also sell marijuana products to qualifying patients age 18 and over who have a medical marijuana authorization or are entered into the Medical Marijuana Authorization Database. Qualifying medical marijuana patients are exempt from paying sales tax on retail purchases of marijuana products. All sales of marijuana products must be conducted in person at the premises of the marijuana retail outlet and outside deliveries are prohibited.

The Governor may enter into agreements with federally recognized Indian tribes concerning matters pertaining to marijuana commerce. Such marijuana agreements may address any marijuana-related issue that involves both state and tribal interests or otherwise has an impact on tribal-state relations.

## **Summary of Bill:**

### Medical Marijuana Delivery Endorsement.

A medical marijuana delivery endorsement to a marijuana retail license is established that authorizes a qualifying retailer to deliver marijuana for medical use to a qualifying medical marijuana patient or a designated provider. The delivery endorsement may be issued only to licensed marijuana retailers holding a medical marijuana endorsement. The holder of the delivery endorsement may deliver marijuana products to a qualifying medical marijuana patient or a designated provider, at a private residence, hotel, motel, boarding house, resort, hostel, trailer camp, or similar lodging business. A retailer may charge a delivery service fee to the customer for any delivery made in accordance with applicable statutory requirements and administrative rules.

The medical marijuana delivery endorsement authorizes a qualifying retailer to:

- receive an order over the telephone or Internet, by a qualifying medical marijuana patient or designated provider for the purchase and delivery of marijuana products; and
- deliver marijuana products to the same person who placed the order for the marijuana products over the telephone or internet.

The delivery person must be an owner or employee of the licensee holding the medical marijuana delivery endorsement and must have undergone training regarding verification of age and identity, as well as verification of registration in the medical marijuana authorization database. At the time of delivery, the delivery person must confirm the validity of the recipient's identification and medical marijuana recognition card through the use of an electronic device or web-based application as required by the LCB.

If the retailer applying for a medical marijuana delivery endorsement holds more than one marijuana retailer's license, a separate delivery endorsement is required for each retail outlet from which the license holder wishes to conduct the delivery of marijuana products to qualified medical marijuana patients.

### Rule-Making by the LCB.

The Liquor and Cannabis Board may adopt rules necessary to implement this section and must adopt rules that include the following:

- eligibility requirements for the issuance of a medical marijuana delivery endorsement to a marijuana retailer;
- training requirements for persons involved in the delivery of marijuana products;
- civil penalties that may be imposed for delivery of marijuana products to a person under 21 years of age or is not registered in the medical marijuana authorization database;
- procedures for age verification and verification of registration in the medical marijuana authorization database;
- delivery vehicle requirements, including the maximum number of delivery vehicles that may be used by a marijuana retailer per work shift;
- limits on the amounts of marijuana products and money that may be carried in a delivery vehicle; and
- penalties for violations of applicable statutes or rules adopted to implement this section.

State-Tribal Agreements Regarding Medical Marijuana Delivery Practices.

The agreements that the Governor may enter into with federally recognized Indian tribes related to marijuana commerce may include provisions regarding delivery sales of medical marijuana products by tribes, tribal enterprises, or tribal member-owned businesses that are retailers of marijuana. Such agreements must meet specified requirements, including the requirement that tribal delivery sale regulations for medical marijuana products are the same, or substantially the same, as delivery sale regulations that apply to state-licensed marijuana retailers with a medical marijuana delivery endorsement.

**Appropriation:** None.

**Fiscal Note:** Available.

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