

SENATE BILL REPORT

SB 5323

As Reported by Senate Committee On:
Agriculture, Water, Trade & Economic Development, February 9, 2017

Title: An act relating to creating a voluntary marijuana production standard and certification program.

Brief Description: Creating a voluntary marijuana production standard and certification program.

Sponsors: Senators Rivers and Takko; by request of Department of Agriculture.

Brief History:

Committee Activity: Agriculture, Water, Trade & Economic Development: 1/31/17, 2/09/17 [DP, w/oRec].

Brief Summary of Bill

- Creates a voluntary marijuana production standard and certification program.

SENATE COMMITTEE ON AGRICULTURE, WATER, TRADE & ECONOMIC DEVELOPMENT

Majority Report: Do pass.

Signed by Senators Warnick, Chair; Hawkins, Vice Chair; Chase, Ranking Minority Member; Wellman, Assistant Ranking Minority Member; Brown, McCoy, Takko and Van De Wege.

Minority Report: That it be referred without recommendation.

Signed by Senators Honeyford, Pearson and Short.

Staff: Greg Vogel (786-7413)

Background: Initiative Measure No. 502. Initiative Measure No. 502 (I-502) was a ballot measure approved by Washington voters in November 2012 that (1) legalized the production, processing, possession and personal use of marijuana, (2) created a framework for a regulatory scheme to be further developed by the Liquor and Cannabis Board (LCB) through

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.

its rulemaking authority, and (3) revised provisions in criminal statute to accommodate such legalization in accordance with the requirements of the initiative.

Liquor and Cannabis Board. LCB carries out Washington's cannabis laws and regulations and issues licenses for businesses to produce, process, and sell marijuana.

National Organic Program. The National Organic Program ensures the integrity of the organic label by regulating all products certified to United States Department of Agriculture (USDA) organic standards. In order to sell, label, or represent their products as organic, operations must follow all of the specifications set out by the USDA organic regulations.

WSDA Organic Program. Washington State Department of Agriculture (WSDA) Organic Program is accredited as a certification agent by USDA. As a certification agent of the National Organic Program, WSDA Organic Program's role is to inspect and certify organic operations, verifying that they are meeting all of the requirements of USDA organic standards.

Summary of Bill: A voluntary marijuana production standard and certification program is created within the WSDA.

Rule-making Authority. The program must be consistent with WSDA's existing organic program and gives WSDA rule-making authority to establish:

- production and processing standards for marijuana that are consistent with the National Organic Program's standards;
- a program to certify marijuana producers and processors that meet the standards;
- other rules as necessary; and
- a fee schedule that provides for full cost recovery.

Prohibitions. No marijuana or marijuana product may be marketed as meeting these standards unless covered by a WSDA-issued certification. No marijuana or marijuana product may be marketed as organic as defined in statute.

Inspection and Enforcement. WSDA is granted inspection and enforcement authorities, including actions against the certification and civil penalties. The civil penalty may not exceed the total of estimated enforcement costs plus \$1,000. LCB may take actions against a marijuana producer, marijuana processor, or marijuana retailer's license for ongoing violations.

Public Disclosure. Existing exemptions from public disclosure for marijuana producers, marijuana processors, and marijuana retailers are maintained.

Fees. Fees collected under the program are directed to an account in the agricultural local fund. Fees must be used only to administer the program. No appropriation is required for disbursements.

Appropriation: None.

Fiscal Note: Available.

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

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony: PRO: As both recreational and medical marijuana systems gain more users, there is an increased desire to make sure that the product they are using is organic. By having a system set up within the Department of Agriculture that can actually look at production methods and make sure that everyone is following the appropriate procedures, that consumer demand can be met. This bill would allow the agency to develop and enforce a marijuana production standard that operates in tandem with the agency's current certification program. The bill will also ensure the integrity of production claims on product labels and give consumers the ability to choose between different production methods.

Persons Testifying: PRO: Senator Ann Rivers, Prime Sponsor; Brenda Book, Washington State Department of Agriculture.

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