

HOUSE BILL REPORT

SHB 2182

As Passed House:

February 6, 2024

Title: An act relating to the creation of a data dashboard to track policies, funding, and program and health outcomes related to the sale, consumption, and use of regulated substances.

Brief Description: Creating a data dashboard to track use of regulated substances.

Sponsors: House Committee on Regulated Substances & Gaming (originally sponsored by Representatives Reeves, Cheney, Leavitt, Reed, Callan and Sandlin).

Brief History:

Committee Activity:

Regulated Substances & Gaming: 1/16/24, 1/29/24 [DPS].

Floor Activity:

Passed House: 2/6/24, 97-0.

Brief Summary of Substitute Bill

- Requires the Liquor and Cannabis Board (LCB) to annually publish on its website certain information related to compliance rates, citations issued, information reported to the LCB by other agencies, the amount of taxes and penalties collected, and the impact on the regulated market from the inversion and diversion of cannabis and cannabis products.

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

Staff: Matt Sterling (786-7289).

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.

Background:

The Liquor and Cannabis Board (LCB) publishes an annual report on its website that generally includes information related to taxes and fees collected and compliance rates and citations related to the sale or possession of liquor, cannabis, cigarettes, tobacco products, and vapor products.

The Healthy Youth Survey is a biennial survey administered to sixth through twelfth grade students in Washington that measures health risk behaviors including alcohol, cannabis, tobacco, and other drug use that contribute to illness, death, and social problems. The LCB supports the Health Care Authority (HCA)—Division of Behavioral Health and Recovery, the Department of Health (DOH), and the Office of Superintendent of Public Instruction in the development of the Healthy Youth Survey.

Summary of Substitute Bill:

The LCB, in consultation with the DOH, the HCA, and other necessary agencies, is required to publish in a conspicuous location on the LCB's website and annually update certain information related to compliance rates, citations issued, information reported to the LCB by other agencies, and the amount of taxes and penalties collected.

The information published on the LCB's website must separately identify all required information for each regulated substance and include:

- compliance rates, with any personally identifiable information redacted, regarding the LCB's enforcement of laws or rules prohibiting the sale of liquor, cannabis, cigarettes, tobacco products, and vapor products to persons under 21 years of age;
- the number of citations, with any personally identifiable information redacted, issued annually for violations related to the:
 - sale of liquor, cannabis, cigarettes, tobacco products, or vapor products to persons under 21 years of age; and
 - sale, service, delivery, purchase, or consumption of liquor to an intoxicated person or a person who is apparently under the influence of liquor;
- data from the Healthy Youth Survey about youth use, access, and perceptions of: liquor, cannabis, cigarettes, tobacco products, and vapor products in Washington;
- information reported to the LCB from the DOH or the HCA about the:
 - prevalence in Washington of the use of alcohol, cannabis, cigarettes, tobacco products, and vapor products;
 - amount and source of funding appropriated or available per fiscal year to the DOH and the HCA for programs for preventing and deterring the use of liquor, cannabis, cigarettes, tobacco products, and vapor products, and treating substance use disorders related to these regulated substances;
 - annual state Medicaid expenditures and total health care expenditures in the state caused by liquor, cannabis, cigarettes, tobacco products, and vapor products;

- cessation expenditures for cigarettes or tobacco products through the School Employees' Benefits Board and the Public Employees' Benefits Board;
- annual deaths in Washington caused by smoking or consuming cigarettes, tobacco products, alcohol, vapor products, or cannabis;
- state spending on tobacco prevention and cessation funding as compared to funding levels recommended by the United States Centers for Disease Control and Prevention;
- health equity metrics including disparities in the rates of diseases or disorders caused by or associated with the consumption or use of alcohol, cannabis, cigarettes, tobacco products, and vapor products; and
- demographic impact metrics including disparities in the rates of consumption or use of alcohol, cannabis, cigarettes, tobacco products, and vapor products;
- the amount of the following taxes, fees, and penalties collected by the state in the most recent fiscal year:
 - taxes collected from the sale of liquor, cannabis, cigarettes, tobacco products, and vapor products;
 - license fees collected related to the manufacture, distribution, and sale of liquor, cannabis, cigarettes, tobacco products, and vapor products; and
 - money received from penalties imposed by the LCB on licensees for violations related to the manufacture, distribution, or sale of liquor, cannabis, cigarettes, tobacco products, or vapor products; and
- the number of occurrences of, and economic impact on the regulated market from, the inversion and diversion of cannabis and cannabis products involving a person licensed under RCW 69.50.325 as a cannabis producer, processor, or retailer.

Appropriation: None.

Fiscal Note: Available.

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 LCB regulates a variety of substances in Washington, but there is not really a centralized location for the public to see aggregated data relating to the mission of the LCB. There is a lot of amazing data collected by the LCB that could increase transparency if it was made more readily available. Quality data in an accessible format is a great way to both tell the story of the cannabis industry, and to better inform the public and aid in the development of public policy. The Joint Legislative Audit and Review Committee recently issued a report calling on the LCB to provide more information on how cannabis revenues are distributed. Public health and prevention professionals have discussed centralizing this information and believe that this organization of data and addition of transparency would be a good thing. This bill creates more transparency and

disclosure about the regulated substances as well as the LCB mission for the public and licensees, and provides metrics that can be evaluated over time. The bill should be very specific about distinguishing between whether the data is just focused on substances in the regulated market or outside the regulated market. The bill could be improved with language to include economic indicators as well as data on inversion and diversion.

(Opposed) None.

(Other) The bill needs some clarifying language. Each substance should be reported separately and not in an aggregate format. Making sure the data is presented separately for each substance will make the data far more useful for the public.

Persons Testifying: (In support) Representative Kristine Reeves, prime sponsor; Lukas Hunter, Harmony Farms; Vicki Christophersen, Washington CannaBusiness Association; and Marc Webster, Washington State Liquor and Cannabis Board.

(Other) Ezra Eickmeyer, Producers Northwest.

Persons Signed In To Testify But Not Testifying: None.