
ENGROSSED HOUSE BILL 2255

State of Washington

68th Legislature

2024 Regular Session

By Representatives Waters, Wylie, Kloba, Davis, and Cheney

Read first time 01/10/24. Referred to Committee on Regulated Substances & Gaming.

1 AN ACT Relating to detecting and preventing the illegal inversion
2 and diversion of cannabis and cannabis products into and out of
3 Washington's regulated cannabis system; and adding a new section to
4 chapter 69.50 RCW.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

6 NEW SECTION. **Sec. 1.** A new section is added to chapter 69.50
7 RCW to read as follows:

8 (1) The board shall regularly audit the data in the cannabis
9 central reporting system to identify outliers or anomalies in data
10 for inconsistencies in reporting, for the purposes of identifying
11 locations where either or both of the following activities are
12 occurring in violation of this chapter, and undertaking enforcement
13 to prevent their occurrence:

14 (a) Inversion of cannabis or cannabis products into the regulated
15 cannabis system involving a person licensed under RCW 69.50.325 as a
16 cannabis producer, processor, or retailer, purchasing or obtaining
17 cannabis or cannabis products from an unauthorized person or source;
18 or

19 (b) Diversion of cannabis or cannabis products out of the
20 regulated cannabis system involving a person licensed under RCW
21 69.50.325 as a cannabis producer, processor, or retailer, selling or

1 transferring cannabis or cannabis products to an unauthorized person
2 or recipient.

3 (2) In addition to data in the cannabis central reporting system
4 including reports of sales of cannabis and cannabis products, for the
5 purpose of administering this section and preventing inversion and
6 diversion of cannabis and cannabis products, the board may also
7 consider and compare any books and records of cannabis licensees that
8 the board has authority to inspect under this chapter and shall also
9 consider and compare the following data or information:

10 (a) The status of a cannabis license issued by the board and
11 whether it is active and valid or whether it has been suspended,
12 revoked, canceled, or has otherwise not been active and valid during
13 any applicable time;

14 (b) The status of a business license issued by the department of
15 revenue and whether it is active and valid or whether it has been
16 suspended, revoked, canceled, or has otherwise not been active and
17 valid during any applicable time; and

18 (c) Filings and reports related to taxes or business activity
19 submitted to the department of revenue.

20 (3) The board shall regularly ensure that all cannabis licensees
21 and third-party testing laboratories comply with any requirement of
22 the board for the reporting of data or events to the cannabis central
23 reporting system.

24 (4) For purposes of this section, "cannabis central reporting
25 system" means the system used by the board for the reporting of
26 events or information submitted by or on behalf of cannabis licensees
27 and certified laboratories to the board, as required by the board.

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