S-1306.1

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**SENATE BILL 5858**

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**State of Washington 64th Legislature 2015 Regular Session**

**By** Senators Kohl-Welles and Rivers

AN ACT Relating to establishing the state cannabis industry and economic development committee; creating new sections; and providing an expiration date.

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

NEW SECTION. **Sec.**  The legislature finds that voter approval of Initiative Measure No. 502 established a system for licensing and regulating cannabis production, processing, and sales. The legislature further finds that this new industry is creating hundreds of new jobs and generating sizeable amounts of revenues to the state. The legislature further finds there are efforts to expand this industry into other areas, such as industrial hemp, food processing, tourism, health and beauty products, farmers markets, and banking, among others. As such, given a potentially evolving demand and market in new areas, it is the intent of the legislature to create a state cannabis industry and economic development committee to promote and further develop the industry while remaining in compliance with federal guidelines. It is the intent of the legislature that the committee will coordinate and monitor new developments and their impact on Washington state, and to make recommendations to the legislature on establishment of a state comprehensive plan and additional legislation as needed.

The legislature also finds that, while the state liquor control board has created the regulatory structure for Initiative Measure No. 502, additional issues need to be addressed. Therefore, it is the intent of the legislature that the committee address such evolving issues and submit its policy recommendations for consideration by the 2016 legislature.

NEW SECTION. **Sec.**  (1) A state cannabis industry and economic development committee is established, with members as provided in this subsection.

(a) The president of the senate shall appoint one member from each of the two largest caucuses of the senate.

(b) The speaker of the house of representatives shall appoint one member from each of the two largest caucuses of the house of representatives.

(c) Each of the following agencies shall appoint a representative to serve on the committee:

(i) The liquor control board;

(ii) The department of health;

(iii) The department of revenue;

(iv) The office of financial management;

(v) The department of agriculture;

(vi) The department of commerce; and

(vii) The department of financial institutions.

(d) The governor shall appoint twelve members with a balance of representatives from the medical marijuana community, medical marijuana providers, licensed marijuana producers, licensed marijuana processors, licensed marijuana retailers, industrial hemp producers, food processors, farmers markets, health and beauty aids industries, tourism, banking, and other related industries.

(e) One representative shall be appointed each from the association of Washington cities and the Washington state association of counties.

(2) The committee must appoint its cochairs, at least one of whom must be from among its legislative membership. The committee shall make rules for orderly procedure and may appoint subcommittees.

(3) The committee has the following powers and duties:

(a) Developing a state comprehensive plan that identifies and coordinates the various business and economic opportunities within the cannabis industry, including potential opportunities;

(b) Recommending a state financial system that best implements the state's marijuana marketplace while maximizing public safety, accurate tax accounting, and compliance with the United States attorney general's guidance regarding marijuana enforcement and guidance regarding marijuana-related financial crimes on implementation of Initiative Measure No. 502;

(c) Developing a method for monitoring and assessing the economic returns the cannabis industry delivers to the state;

(d) Examining and reporting on any changes in federal law that may impact the legal operations of the cannabis industry in the state;

(e) Making recommendations for a statewide cannabis industry and economic development coordinator; and

(f) Making recommendations on options for the distribution of tax revenue from the sale of marijuana.

(4) The committee shall provide specific preliminary recommendations to the appropriate committees of the legislature by December 15, 2015, and a final report by January 10, 2017.

(5) Staff support for the committee must be provided by senate committee services, the house of representatives office of program research, and the represented state agencies.

(6) Legislative members of the committee must serve without additional compensation, but must be reimbursed for travel expenses in accordance with RCW 44.04.120. Nonlegislative members, except those representing an employer or organization, are entitled to be reimbursed for travel expenses in accordance with RCW 43.03.050 and 43.03.060.

(7) The expenses of the committee must be paid jointly by the senate and the house of representatives. Committee expenditures are subject to approval by the senate facilities and operations committee and the house of representatives executive rules committee, or their successor committees.

(8) This section expires January 31, 2017.

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