

SENATE BILL REPORT

HB 1772

As Reported by Senate Committee On:
Labor & Commerce, March 21, 2023

Title: An act relating to prohibiting the manufacture, importation, and sale of products that combine alcohol and tetrahydrocannabinol.

Brief Description: Prohibiting products that combine alcohol and tetrahydrocannabinol.

Sponsors: Representatives Waters, Orwall, Christian, Sandlin, Cheney, McClintock, Farivar, Timmons, Leavitt, Senn, Rule, Schmidt and Pollet.

Brief History: Passed House: 2/28/23, 94-3.

Committee Activity: Labor & Commerce: 3/20/23, 3/21/23 [DP].

Brief Summary of Bill

- Prohibits manufacturing, importing, offering, or selling a consumable product containing cannabis or any form of tetrahydrocannabinol in combination with beer, wine, spirits, or any other type of liquor in the same product.

SENATE COMMITTEE ON LABOR & COMMERCE

Majority Report: Do pass.

Signed by Senators Keiser, Chair; Conway, Vice Chair; Saldaña, Vice Chair; King, Ranking Member; Braun, MacEwen, Robinson, Schoesler and Stanford.

Staff: Matt Shepard-Koningsor (786-7627)

Background: Cannabis and the Uniform Controlled Substances Act. The Liquor and Cannabis Board (LCB) licenses and regulates persons engaged in the production, processing, or sale of cannabis. Cannabis businesses are regulated under the legal framework established by Initiative 502 and subsequent laws amending the state Uniform

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.

Controlled Substances Act (UCSA). Licensed cannabis producers, processors, and retailers may engage in activities expressly authorized in Washington law related to cannabis production, processing, and sales. Cannabis retailers may not sell products other than cannabis products and paraphernalia intended for the storage or use of cannabis products.

Cannabis and tetrahydrocannabinols (THC) are listed as controlled substances in Schedule I of the UCSA. The Pharmacy Quality Assurance Commission separately included marijuana extract as a Schedule I substance, defined as an extract containing one or more cannabinoids derived from any plant of the genus *Cannabis*, other than the separated resin, whether crude or purified, obtained from the plant. The UCSA specifies that, except as authorized in law, it is unlawful for a person to manufacture, deliver, or possess with intent to manufacture or deliver, a controlled substance. State statutes specify penalties for violations of the UCSA, which vary based on the type of controlled substance, its schedule, and whether the violation is a first or subsequent offense.

Liquor Laws. LCB licenses and regulates persons engaged in the manufacture, importation, distribution, sale, and service of beer, wine, spirits, and other liquor. Liquor businesses are regulated by the Steele Act of 1934 and subsequent laws. Federal law requires a permit or registration from the Alcohol and Tobacco Tax and Trade Bureau to produce, import, or wholesale alcoholic beverages.

Except as otherwise provided in law, liquor licensees or employees may not allow any person to consume any type of cannabis, useable cannabis, or cannabis-infused products in a liquor licensed business, including outdoor service areas or any part of the property owned or controlled by the licensee, and may not allow a person who is consuming or has consumed such products to remain on any part of the licensed premises.

LCB rules specify penalties for violations of liquor statutes and rules based on the category of the violation and whether aggravating or mitigating circumstances exist. Liquor statutes provide that every person guilty of a violation for which no penalty has been specified is subject to the following penalties:

- for a first offense, a person is guilty of a misdemeanor punishable by a fine of not more than \$500, or by imprisonment for not more than two months, or both;
- for a second offense, a person is guilty of a gross misdemeanor punishable by imprisonment for not more than six months; and
- for a third or subsequent offense, a person is guilty of a gross misdemeanor punishable by imprisonment for up to 364 days.

For corporations, a first offense is punishable by a fine of not more than \$5,000, and for a second or subsequent offense, by a fine of not more than \$10,000, forfeiture of its corporate license, or both.

Summary of Bill: Cannabis and the Uniform Controlled Substances Act. It is unlawful to manufacture, import, offer, or sell in this state a consumable product that contains cannabis

or any form of THC in combination with beer, wine, spirits, or any other type of liquor in the same product.

Liquor Laws. The prohibition above is added to the liquor statutes.

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: We do not want to see cannabis in our beer, wine, or other alcohol. This is not a Washington law yet and federal regulations are coming. The larger liquor industry members would go after the ability to combine alcohol and cannabis or THC if the federal government allows it. There are currently products in development. This is a good bill to get in front of this.

Persons Testifying: PRO: Representative Kevin Waters, Prime Sponsor.

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