
**Consumer Protection & Business
Committee**

HB 1067

Brief Description: Transferring certain cannabis licensing activities to the department of agriculture.

Sponsors: Representatives Reeves, Morgan, Wylie and Hill.

Brief Summary of Bill

- Transfers the powers, duties, and functions of the Liquor and Cannabis Board for the licensing and regulation of the production, processing, and testing of cannabis to the Department of Agriculture.

Hearing Date: 1/17/25

Staff: Peter Clodfelter (786-7127).

Background:

The Liquor and Cannabis Board (LCB) licenses and regulates the production, processing, retail sale, research, and transportation of cannabis in Washington. The LCB is the primary regulatory agency of the commercial cannabis market, while agencies like the Department of Agriculture (WSDA) and the Department of Health (DOH) also have specified duties and authorities.

The WSDA's regulatory authority related to cannabis includes:

- accrediting private cannabis testing laboratories (which are also certified by the LCB) to test representative samples of cannabis from licensed cannabis producers and processors for compliance with quality assurance standards established by the LCB or the DOH;
- issuing a license endorsement to cannabis processors that process edible cannabis products;

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- administering pesticide and commercial fertilizer registration programs for businesses, including cannabis producers;
- establishing a program for certifying cannabis producers and cannabis processors that comply with standards similar, to the extent possible, to the National Organic Program; and
- administering Washington's commercial weights and measures standards for all commercial scales, including those of cannabis businesses.

The powers and duties of the WSDA include implementation of specified laws, and generally include the development of markets for agricultural products, state and federal cooperative marketing programs, land use for agricultural purposes, water resources, transportation, and farm labor as these matters relate to the production, distribution, and sale of agricultural commodities.

The WSDA is also designated as the agency of Washington government for the administration and implementation of Washington's agricultural market development programs and activities. Additionally, the WSDA is responsible for a licensing and regulatory program for hemp production.

Summary of Bill:

All powers, duties, and functions of the Liquor and Cannabis Board (LCB) relating to the licensing and regulating of the production, processing, and testing of cannabis and cannabis products are transferred to the Department of Agriculture. All references to the LCB in the Revised Code of Washington must be construed to mean the Department of Agriculture (WSDA) when referring to the the transferred functions.

All reports, documents, surveys, books, records, files, papers, or written material in the possession of the LCB pertaining to the powers, functions, and duties transferred must be delivered to the custody of the WSDA. All cabinets, furniture, office equipment, software, databases, motor vehicles, and other tangible property employed by the LCB in carrying out the powers, functions, and duties transferred must be made available to the WSDA.

Any appropriations made to the LCB for carrying out the powers, functions, and duties transferred must, on July 1, 2026, be transferred and credited to the WSDA. All rules and all pending business before the LCB pertaining to the powers, functions, and duties transferred must be continued and acted upon by the WSDA. All existing contracts and obligations must remain in full force and be performed by the WSDA. The transfer of the powers, duties, and functions of the LCB does not affect the validity of any act performed before July 1, 2026.

Appropriation: None.

Fiscal Note: Requested on January 8, 2025.

Effective Date: The bill contains an emergency clause and takes effect on July 1, 2025.