
**Consumer Protection & Business
Committee**

HB 1932

Brief Description: Authorizing cannabis consumption in regulated environments.

Sponsors: Representatives Morgan, Waters, Donaghy, Reeves, Walen, Hill, Reed, Fitzgibbon, Simmons, Ormsby and Scott.

Brief Summary of Bill

- Creates a cannabis consumption event organizer license, authorizing a licensee to organize and conduct a limited number of consumption events, each under its own permit, at which certain cannabis products may be sold to adults age 21 and over for on-premises consumption in approved consumption areas.
- Authorizes the cannabis consumption event organizer to prepare and sell certain cannabis products, and participating cannabis producers, processors, or retailers to prepare and sell certain cannabis products for on-premises consumption at the approved events.
- Creates a budtender permit and training requirements, and requires employees working at an event to hold a budtender permit.
- Establishes conditions and requirements for the approval and operation of licensed cannabis consumption event activities, requires the Liquor and Cannabis Board to adopt rules, and makes conforming changes.

Hearing Date: 2/21/25

Staff: Peter Clodfelter (786-7127).

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:

In Washington, the following cannabis licenses are issued by the Liquor and Cannabis Board (LCB): (1) the cannabis producer license; (2) the cannabis processor license; (3) the cannabis retailer license; (4) the cannabis researcher license; and (5) the cannabis transportation license.

Licensing requirements for cannabis licenses include being 21 years of age or older, being a lawful Washington resident for at least six months, and being subject to criminal history records checks, administrative violation history records checks, and financial vetting. The LCB may cause an inspection of the premises to be made, and may inquire into all matters in connection with the construction and operation of the premises.

No Washington cannabis license currently permits the consumption of cannabis by persons age 21 or over in a public place. It is unlawful to open a package containing cannabis or cannabis products or to consume cannabis or cannabis products in view of the general public or in a public place. A violation is a class 3 civil infraction.

At least a dozen states with legal adult-use cannabis authorize cannabis consumption at a licensed establishment or a limited-duration event.

Summary of Bill:

Cannabis Consumption Event Organizer License.

A new cannabis license is established, called a cannabis consumption event organizer license, which is available to a person or entity that does not hold another cannabis license. The license authorizes the holder to organize and conduct consumption events at specified locations on specified dates and times approved by the LCB.

At these events adults age 21 and over may purchase single-use cannabis products and ready-to-consume cannabis products from the licensed cannabis consumption event organizer or from participating cannabis producers, processors, and retailers, and may consume these products in approved consumption areas by smoking, vaporization, consumption, or ingestion, subject to the requirements and limitations.

"Single-use cannabis product" means a type of product containing cannabis, other than a ready-to-consume cannabis product, that the LCB has determined to be appropriate for consumption in a cannabis consumption area. A single-use cannabis product may be a form of useable cannabis, cannabis-infused product in solid or liquid form, or cannabis concentrate that is smoked, vaporized, consumed, or ingested.

"Ready-to-consume cannabis product" means a cannabis product that is prepared on the premises of a licensed cannabis consumption event organizer or an approved consumption event, presented in the form of a foodstuff or beverage, sold in a heated or unheated state, intended for immediate consumption, and that the LCB has determined to be an appropriate product for

consumption at a consumption event.

A maximum of one event per calendar month may be conducted, with each event lasting a maximum of three consecutive days, except that two years after the bill's effective date, the LCB, by rule, may increase the maximum number of events per calendar month and the maximum duration of each individual event. The application fee is \$500. Annual license renewal is \$200. An event permit is also required for each event.

No licensed cannabis consumption event organizer or its employees may perform work involving the sale or service of single-use cannabis products, or preparation, sale, or service of ready-to-consume cannabis products to the public unless the individual conducting the activity holds a valid budtender permit, which is a new permit created by the bill.

A licensed cannabis consumption event organizer may:

- obtain, from a licensed cannabis processor or a cannabis processor operating consistent with a tribal-state cannabis agreement, single-use cannabis products for the purposes of resale and cannabis products approved by the LCB for preparation of ready-to-consume cannabis products for sale at retail at an approved consumption event;
- obtain, from a licensed cannabis producer or a cannabis producer operating consistent with a tribal-state cannabis agreement, cannabis for the preparation of ready-to-consume cannabis products for sale at retail at an approved consumption event;
- sell single-use cannabis products at retail to adults age 21 and over at the premises of an approved consumption event;
- prepare ready-to-consume cannabis products using cannabis and cannabis products and sell ready-to-consume cannabis products at retail to adults age 21 and over at the premises of an approved consumption event;
- sell noncannabis food and beverages to customers of a consumption event;
- sell any other item that does not contain cannabis or cannabis products and is not intended for use with cannabis or cannabis products to customers of the cannabis consumption event; and
- provide live entertainment at the cannabis consumption event.

The sale of alcohol, cigarettes, tobacco products, and vapor products, other than vapor products that are cannabis products, is prohibited by a licensee.

Consumption areas may be indoors, subject to limitations on methods of consumption, or consumption areas may be outdoors. All authorized sales and use, consumption, smoking, vaporization, and ingestion of cannabis products must be out of the view of public places other than public places authorized for conducting the consumption event.

Generally, in an indoor consumption area approved by the LCB, the consumption or ingestion of single-use cannabis products and ready-to-consume cannabis products is permitted, but smoking or vaporizing single-use cannabis products and any other cannabis product is prohibited.

However, a temporary structure, including a tent with walls and a covered top, may be used at a consumption event and the smoking or vaporizing of single-use cannabis products is allowed in the temporary structure if there is a ventilation and exhaust system capable of expelling odors generated in the consumption area, reducing volatile organic compounds, and maintaining the standards for air quality in the cannabis consumption area as required by LCB rules.

In an outdoor consumption area approved by the LCB, the consumption of single-use cannabis products is permitted by consumption, ingestion, smoking, and vaporization, and the consumption of ready-to-consume cannabis products is permitted by consumption and ingestion.

A licensee and any participating licensed cannabis producer, processor, or retailer must make available personal protective equipment, including masks and gloves, and have procedures that ensure employees are reasonably protected from secondhand smoke, vapor, or other workplace safety concerns.

A cannabis consumption event organizer licensee must not allow:

- the use, smoking, vaporization, consumption, or ingestion of cannabis products at any place that is within view of a public place;
- the entry of any person who is less than 21 years of age to a consumption event;
- the use, smoking, vaporization, consumption, or ingestion of any cannabis product in the cannabis consumption area that is not a single-use cannabis product or ready-to-consume cannabis product; or
- a single-use cannabis product or ready-to-consume cannabis product that was purchased at the consumption event to be removed from the premises of the event.

A cannabis consumption event organizer licensee must ensure that only single-use cannabis products or ready-to-consume cannabis products that were purchased from the event organizer or participating licensed cannabis producers, processors, or retailers are consumed on the premises of the consumption event.

A cannabis consumption event organizer licensee must have a temporary on-site consumption event permit issued by the LCB in advance of each consumption event and include in any application for the approval of a temporary on-site consumption event permit the location or address of the consumption event; a list of cannabis producers, processors, and retailers participating in the consumption event; and a diagram identifying the consumption event's premises, including designated areas for retail sales, consumption areas, and storage of cannabis products.

The LCB may by rule establish the fee for a temporary on-site consumption event permit, provided the fee may not exceed \$500 per event. The event fee for a licensee who obtained a license through the cannabis social equity program is waived through July 1, 2032.

The licensee is responsible for security, age verification, and all other activities at a consumption event. Participating licensed cannabis producers, processors, and retailers are also responsible

for age verification at all of their activities at an event.

The licensee must warehouse cannabis and single-use cannabis products at its principal place of business if choosing to warehouse products, although the licensee may temporarily store products at a consumption event. The product must be in a locked storage compartment or container approved by the LCB and all remaining product must be returned back to the warehouse at the end of each day of the consumption event.

Cannabis consumption event organizers are also subject to all the following requirements:

- The licensee must demonstrate to the LCB that the licensee obtained any required local permit or approval.
- The licensee must separate consumption areas from retail sales areas and other areas of the consumption event's premises.
- The licensee must ensure that use, consumption, ingestion, smoking, or vaporization of cannabis products is not visible from any public place that is not authorized for the event.
- The licensee must designate a limited access area or areas that can only be accessed by the licensee, participating cannabis producers, processors, retailers, designated staff of such licensees, and the LCB.
- A licensee and any participating producer, processor, or retailer must train each employee concerning paraphernalia, single-use cannabis products, and ready-to-consume cannabis products including, without limitation, the proper use of paraphernalia, the potency, absorption time, and effects of single-use cannabis products and ready-to-consume cannabis products, the recognition of impairment from and overconsumption of cannabis, and the safe handling of a customer who is impaired.
- The licensee must submit a security plan to the LCB that, without limitation, provides for adequate security and lighting at the consumption event and for each entrance and exit of the consumption event to be adequately secured, and must submit updates of the plan to the LCB as required.
- The licensee must submit a plan to the LCB setting forth protocols and procedures to deter customers from driving under the influence (DUI) of cannabis and submit to the LCB such updates to the plan as the LCB may require.
- The licensee must submit a plan to the LCB setting forth protocols and procedures to ensure that cannabis and cannabis products are not sold or otherwise distributed at a consumption event other than as authorized.
- Licensees must dispose of cannabis or cannabis products that are left at a consumption area in accordance with the procedures for disposal set forth by the rules of the LCB.
- The licensee must post conspicuous notices at the point of sale with the same information required to be posted by cannabis retailers regarding high-tetrahydrocannabinol (THC) products and information about the possible harmful impacts of cannabis consumption, risks of dependence or substance use disorder related to cannabis, and contact information to prevention, treatment, or support services.
- The licensee may not employ persons under age 21.
- The licensee must comply with all local ordinances.
- The licensee must comply with any requirements in the rules of the LCB.

- A licensed cannabis consumption event organizer must collect and remit the cannabis excise tax but for certain other purposes is not considered a cannabis retailer.

The licensee must ensure that the:

- sale of cigarettes and tobacco products is prohibited at a consumption event;
- sale of vapor products, other than cannabis vapor products, is prohibited at a consumption event;
- sale and consumption of alcohol is prohibited at a consumption event; and
- smoking or consumption of cigarettes or tobacco products and the use of vapor products that are not a cannabis product occur on the premises of a consumption event only in designated outdoor areas that are separate from any cannabis consumption area.

Generally, the LCB may not issue more than one cannabis consumption event organizer license to any one person. However, the LCB may approve a transfer of a cannabis consumption event organizer license to a person who is approved to acquire a 100 percent ownership interest in a cannabis consumption event organizer, if the transfer complies with requirements of the LCB and will not result in the person holding more than two of the licenses.

Budtender Training and Permit.

Employees of a cannabis consumption event organizer, or employees of licensed cannabis producers, processors, or retailers authorized to participate in a consumption event, who perform work involving the sale or service of single-use cannabis products to the public, or the preparation, sale, or service of ready-to-consume cannabis products to the public, must obtain a valid budtender permit before conducting these activities and working at a consumption event.

A budtender permit is awarded upon successful completion of a budtender training program provided by, or approved by, the LCB. A budtender permit is valid for two years unless the LCB takes enforcement action against the permit holder before the expiration of the permit and the permit is suspended or revoked by the LCB. The LCB must establish the elements of a budtender permit program, including permit fees, by rule.

The budtender training program must cover topics including, but not limited to, responsible sales and service of cannabis, the prevention of overconsumption or impairment of a person with respect to cannabis, assisting persons who may experience negative effects of impairment by cannabis, differences in cannabis product types including delayed effects of certain edible products, considerations for inexperienced or first-time consumers of cannabis, and considerations for responsible transportation and avoiding violations related to DUI by customers.

The LCB must consult with the Department of Health to ensure the curriculum of the budtender training program does not include topics related to health or medical issues that are addressed in a training or education program leading to a medical cannabis consultant certificate. Topics that may be included in both the budtender training program and a medical cannabis consultant certificate training or education program are: state laws and rules related to cannabis, safe

handling of cannabis products including single-use cannabis products and ready-to-consume cannabis products, and reducing access by minors to cannabis products.

The LCB may suspend or revoke a budtender permit if it finds the permit holder has violated or permitted anyone to act in violation of the Uniform Controlled Substances Act (UCSA). The LCB must immediately suspend the budtender permit of any person who has been certified as being a parent who is not in compliance with a child support order.

The LCB may, in its discretion, revoke or suspend either the budtender permit of an employee or the license of a cannabis consumption event organizer on whose premises the violation occurred, the license of the participating producer, processor, or retailer, or both the budtender permit and the cannabis business's license. The LCB's rules must include provisions for appeal of its decision to suspend or revoke a budtender permit or the cannabis business's license, or both the permit and the license.

Any person who has had a budtender permit revoked may not seek or accept employment with a cannabis consumption event organizer, or with a cannabis producer, processor, or retailer, in a position involving the sale or service of any cannabis product to the public for a period of at least one year following revocation of the budtender permit.

It is a violation for a cannabis consumption event organizer licensee, or a cannabis producer, processor, or retailer participating in a consumption event, to provide employment requiring a budtender permit to any person who does not hold a valid budtender permit.

Rules of the Liquor and Cannabis Board.

The LCB must adopt rules on the licensing and regulation of cannabis consumption event organizers, to include at a minimum the following:

- a list of single-use cannabis products comprising each type of cannabis and adult-use cannabis product that the LCB has determined to be appropriate for consumption at a consumption event;
- standards for the content, quality, and potency of ready-to-consume cannabis products including, without limitation, the maximum THC concentration for such products;
- procedures and protocols for the preparation and safe handling of ready-to-consume cannabis products to ensure that each prepared product meets the standards;
- requirements relating to the sale of ready-to-consume cannabis products including, without limitation, requirements relating to notifications that must be provided to a purchaser of the product at the time of sale;
- criteria for the approval of on-site consumption areas that are established by a licensee;
- the issuance of on-site consumption permits for each consumption event organized and conducted by a cannabis consumption event organizer licensee, and notice to the LCB of all participating cannabis licensees in any consumption event organized and conducted by a cannabis consumption event organizer licensee;
- requirements for the safe and healthful operation of consumption events and consumption areas including, without limitation: standards for the air quality in a cannabis consumption

area, procedures and requirements for the collection and disposal of cannabis and cannabis products that are left at a cannabis consumption area or consumption event, and requirements for the training of employees of a cannabis consumption event organizer licensee in the sale and safe consumption of single-use cannabis products and ready-to-consume cannabis products; and

- transaction limits on quantities of single-use cannabis products and ready-to-consume cannabis products a person age 21 or over may purchase from a consumption event.

The LCB must adopt additional rules to implement the cannabis consumption event organizer license and make conforming changes to cannabis laws. The LCB is granted rulemaking authority in areas including circumstances under which a person is authorized to consume single-use cannabis products and ready-to-consume cannabis products in a licensed cannabis consumption event.

These rules may not prohibit a local government from adopting and enforcing an ordinance or rule governing the consumption of single-use cannabis products and ready-to-consume cannabis products in a public place in the jurisdiction of the local government that is more restrictive than the rules adopted by the LCB.

Smoking in Public Places and Places of Employment.

An exclusion from the definition of "smoking" in laws relating to smoking in public places and places of employment is provided for carrying, lighting, or smoking cannabis products in a consumption area at a consumption event conducted by a cannabis consumption event organizer licensed by the LCB when in compliance with law and the LCB's rules.

Miscellaneous.

Conforming changes are made to cannabis laws throughout the UCSA related to the authorization for the cannabis consumption event organizer license and the new product types of single-use cannabis products and ready-to-consume cannabis products.

Appropriation: None.

Fiscal Note: Requested on February 11, 2025.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.