

SENATE BILL REPORT

SB 5700

As of February 7, 2025

Title: An act relating to allowing the liquor and cannabis board to verify excise tax exemptions through the medical cannabis authorization database.

Brief Description: Concerning the medical cannabis authorization database.

Sponsors: Senators King and Saldaña.

Brief History:

Committee Activity: Labor & Commerce: 2/10/25.

Brief Summary of Bill

- Allows the Liquor and Cannabis Board to verify excise tax exemptions through the medical cannabis authorization database.

SENATE COMMITTEE ON LABOR & COMMERCE

Staff: Marlon Llanes (786-7423)

Background: Medical Cannabis Authorization Database. The medical cannabis authorization database (database) is maintained by the Department of Health. Medical cannabis patients or designated providers who have a valid authorization may choose to join the database and receive a recognition card. The recognition card includes, among other things, the qualifying patient or designated provider's photograph and the amount of cannabis products the cardholder may possess. The database allows the Department of Revenue to verify tax exemptions under specified law.

Cannabis Excise Tax. The sale of cannabis is subject to a cannabis excise tax equal to 37 percent of the selling price of cannabis concentrates, useable cannabis, and cannabis-infused products. The tax is separate and in addition to general state and local sales taxes that apply to retail sales.

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.

Medical Cannabis Tax Exemptions. Medical cannabis patients and designated providers who have been issued a recognition card are exempt from both the sales taxes and the cannabis excise tax on purchases of certain cannabis products, including products sold by retailers with a medical cannabis endorsement. The exemption from the cannabis excise tax expires on June 30, 2029.

Summary of Bill: The Liquor and Cannabis Board is permitted to verify specified excise tax exemptions through the database.

Appropriation: None.

Fiscal Note: Requested on February 7, 2025.

Creates Committee/Commission/Task Force that includes Legislative members: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.