

SENATE BILL REPORT

SB 5405

As Reported by Senate Committee On:
Labor & Commerce, January 31, 2023

Title: An act relating to modifying the liquor and cannabis board's subpoena authority relating to cannabis investigations.

Brief Description: Modifying the liquor and cannabis board's subpoena authority.

Sponsors: Senators King, Keiser and Wilson, C.; by request of Liquor and Cannabis Board.

Brief History:

Committee Activity: Labor & Commerce: 1/30/23, 1/31/23 [DPS, w/oRec].

Brief Summary of First Substitute Bill

- Adds cannabis to the regulated product types subject to Liquor and Cannabis Board subpoena authority.

SENATE COMMITTEE ON LABOR & COMMERCE

Majority Report: That Substitute Senate Bill No. 5405 be substituted therefor, and the substitute bill do pass.

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

Minority Report: That it be referred without recommendation.

Signed by Senator Saldaña, Vice Chair.

Staff: Jarrett Sacks (786-7448)

Background: The Washington State Liquor and Cannabis Board (LCB) administers and enforces liquor, tobacco, vapor product, and cannabis laws and regulations. Enforcement of these laws includes premises visits, compliance checks, undercover operations, and

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complaint investigations.

LCB has authority to inspect the books and records of common carriers in enforcing the cigarette tax law, and to inspect books and records of vehicle rental agencies used to transport cigarettes and other tobacco products.

LCB may issue subpoenas in connection with any investigation, hearing, or proceeding for the production of books, records, and documents held under the state's alcohol, tobacco, and vapor product laws, and books and records held by common carriers or vehicle rental agencies relating to the transportation or possession of cigarettes, vapor products, or other tobacco products.

A person who refuses or fails to obey a subpoena issued by LCB is subject to contempt proceedings, and LCB may institute contempt of court proceedings in the superior court of Thurston County, or in the county in which the person resides.

Summary of Bill: The bill as referred to committee not considered.

Summary of Bill (First Substitute): In addition to the state's alcohol, tobacco, and vapor product laws, LCB's subpoena authority is extended to documents held under the state's Uniformed Controlled Substances Act and the Medical Use of Cannabis Act, and books and records held by common carriers or vehicle rental agencies relating to the transportation or possession of cannabis.

A comma is added to clarify that certain provisions apply to both common carriers and vehicle rental agencies.

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 on First Substitute: PRO: The bill extends LCB subpoena authority to cannabis. The bill is only a couple of changes to statute but could have an impact on public health. Subpoenas are the first step in investigating illegal grow operations, but LCB does not currently have that authority due to an oversight in the initiative.

CON: The bill will have an uneven impact on the black community and people of color, especially given past LCB behavior. The timing of this request is suspicious since it is at the same time that the changes in cannabis social equity are coming. The bill may impede social

equity efforts.

Persons Testifying: PRO: Senator Curtis King, Prime Sponsor; Marc Webster, Liquor and Cannabis Board.

CON: Peter Manning, Black Excellence In Cannabis; Mike Asai, Black Excellence In Cannabis.

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