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## Regulated Substances & Gaming Committee

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### HB 1822

**Brief Description:** Concerning complimentary products provided by short-term rental operators to guests.

**Sponsors:** Representatives Morgan and Chapman.

#### Brief Summary of Bill

- Establishes an annual permit (\$75) to be issued by the Liquor and Cannabis Board to a short-term rental operator to provide a complimentary, pre rolled useable cannabis product to rental guests who are age 21 or over.

**Hearing Date:** 2/14/23

**Staff:** Peter Clodfelter (786-7127).

#### Background:

The Washington State Liquor and Cannabis Board licenses and regulates cannabis businesses and issues licenses including licenses for producers, processors, retailers, researchers, and transporters. Licensed cannabis retailers may legally sell to a person who is 21 years of age or older, and a person who is 21 years of age or older may legally possess, any combination of the following amounts of cannabis products:

- 1 ounce of useable cannabis;
- 16 ounces of cannabis-infused product in solid form;
- 72 ounces of cannabis-infused product in liquid form; and
- 7 grams of cannabis concentrate.

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*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.*

A person 21 years of age or older may transfer to another person or persons 21 years of age or older, within a single 24 hour period, for noncommercial purposes and not conditioned upon or done in connection with the provision or receipt of financial consideration, an amount of cannabis products equal to half of the possession limits for persons age 21 or over. The transfer must be in a location outside of the view of the general public and in a nonpublic place, or the cannabis or cannabis product must be in the original packaging as purchased from the retailer.

A 2019 Washington law regulating short-term rentals defines a "short-term rental" as a lodging use that is not a hotel, motel, or bed and breakfast, in which a dwelling unit, or portion thereof, that is offered or provided to a guest by a short-term rental operator for a fee for fewer than 30 consecutive nights. A short-term rental does not include any of the following:

- a dwelling unit that is occupied by the owner for at least six months during the calendar year and in which fewer than three rooms are rented at any time;
- a dwelling unit, or portion thereof, that is used by the same person for 30 or more consecutive nights; or
- a dwelling unit, or portion thereof, that is operated by an organization or government entity that is registered as a charitable organization with the Washington Secretary of State or is classified by the federal Internal Revenue Service as a public charity or a private foundation, and provides temporary housing to individuals who are being treated for trauma, injury, or disease, or their family members.

Additionally, "operator" is defined under the 2019 law as any person who receives payment for owning or operating a dwelling unit, or portion thereof, as a short-term rental unit. And "guest" is defined as any person or persons renting a short-term rental unit.

### **Summary of Bill:**

An annual permit is established, to be issued by the Washington State Liquor and Cannabis Board (LCB), to allow short-term rental operators to provide a complimentary pre rolled useable cannabis product, not to exceed one gram of useable cannabis for each pre rolled useable cannabis product, to each rental guest who is age 21 or over. The annual permit fee is \$75. A single permit applies to all rental properties owned or operated by a short-term rental operator and identified in the permit application.

Upon application in the prescribed form being made to an employee authorized by the LCB to issue permits, accompanied by payment of the fee, and upon the employee being satisfied that the applicant should be granted a permit, the employee must issue a permit to the applicant under LCB rules. For purposes of this new permit, the terms "short-term rental," "operator," and "guest" have the same meanings as in the 2019 law regulating short-term rentals.

**Appropriation:** None.

**Fiscal Note:** Requested on February 10, 2023.

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