

---

## Commerce & Gaming Committee

---

### HB 2693

**Brief Description:** Establishing a marijuana lounge endorsement to a marijuana retailer's license.

**Sponsors:** Representative Blake.

#### Brief Summary of Bill

- Creates a marijuana lounge endorsement to a marijuana retailer license that authorizes an endorsement holder to operate a marijuana lounge connected to the retail outlet in which adults 21 years old and older may consume marijuana.

**Hearing Date:** 2/2/16

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

#### **Background:**

##### Overview of Initiative 502.

Initiative 502 (I-502) was a ballot measure approved by Washington State voters in November 2012 that: (1) legalized the production, processing, sale, possession, and personal use of marijuana and marijuana-derived products; (2) created a framework for a regulatory scheme to be further developed by the Liquor and Cannabis Board (LCB) through its rule-making authority; and (3) implemented a taxation system for commercial marijuana enterprises. Pursuant to this regulatory scheme, a separate license is needed in order to produce, process, or sell at retail marijuana and marijuana-derived products. The fee for each license is \$1,000, with a \$250 application fee.

##### Unlawful to Open or Consume Marijuana in View of the General Public or in a Public Place.

It is unlawful to open a package containing marijuana, useable marijuana, marijuana-infused products, or marijuana concentrates or to consume such marijuana products in view of the general public or in a public place. A person who violates that prohibition is guilty of a class 3 civil infraction (\$50 fine, not including any statutory assessments).

---

*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

**Summary of Bill:**

A marijuana lounge endorsement to a marijuana retailer's license is created, to be issued by the Liquor and Cannabis Board, that allows an endorsement holder to operate a marijuana lounge in which adults 21 years old and older may lawfully consume useable marijuana, marijuana-infused products, and marijuana concentrates purchased from the retailer holding the endorsement.

The application fee for an endorsement is \$250. The annual fee for issuance and renewal of the endorsement is \$1,000. The endorsement holder is responsible for ensuring that all marijuana product sales and use are fully compliant with all applicable laws and administrative rules. An applicant may apply for a marijuana lounge endorsement concurrently with an application for a marijuana retailer's license.

A marijuana lounge is an area, room, or structure within or directly attached to the premises of a licensed marijuana retailer, sharing common points of entry and exit with the retail premises, and that meets the following requirements:

- There must be a complete structural separation between the lounge area and areas within the licensed premises in which retail sales occur. This complete structural separation may be accomplished by walls, doors, or other structures of sufficient size and design to create a distinct, unbroken barrier between areas intended for retail sales and areas intended for the use of the marijuana products purchased from the retailer holding the endorsement.
- The design of the structures or barriers separating the marijuana lounge from the retail sales area and the ventilation system serving the licensed premises must be sufficient to ensure that smoke, vapors, residues, aerosolized particles, or other emissions resulting from the consumption of marijuana products in the lounge are not inhaled or ingested by persons within the area reserved for retail sales.
- The location and structural design of the lounge must ensure that the use of marijuana products within the lounge is not within view of the general public outside of the licensed premises.

An exception is created to the prohibition on opening a package containing marijuana, useable marijuana, marijuana-infused products, or marijuana concentrates or consuming such marijuana products in view of the general public or in a public place in order to allow for handling and use of marijuana in an authorized marijuana lounge.

**Appropriation:** None.

**Fiscal Note:** Available.

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