

SENATE BILL REPORT

SB 5572

As of February 6, 2015

Title: An act relating to the sales, distribution, and delivery of marijuana.

Brief Description: Concerning the sales, distribution, and delivery of marijuana.

Sponsors: Senators Kohl-Welles, Hasegawa, Cleveland, Darneille, Conway and Mullet.

Brief History:

Committee Activity: Commerce & Labor: 2/02/15.

SENATE COMMITTEE ON COMMERCE & LABOR

Staff: Richard Rodger (786-7461)

Background: The passage of Initiative 502 (I-502) legalized the recreational use of marijuana and created a comprehensive scheme for the licensing and regulation of marijuana production and distribution. The Liquor Control Board (LCB) is the lead agency for the regulation of marijuana businesses.

I-502 created three categories of marijuana licenses covering producers, processors, and retailers. LCB may not issue any of the three licenses for any premises located within 1000 feet of any elementary or secondary school, playground, recreation center or facility, child care center, public park, public transit center, or library, or any game arcade which is open to persons under age 21.

Many cities and counties throughout the state have enacted ordinances that have the effect of prohibiting the siting of licensed marijuana businesses within their borders. Approximately 105 cities and 11 counties in Washington have enacted such a prohibition or moratorium. Other cities and counties have enacted special zoning ordinances limiting the location of recreational marijuana businesses to certain areas or have proposed special licensing requirements. Several courts have ruled that state law does not preempt such actions by local governments. Additionally, the Washington State Attorney General has published a formal opinion which concurs with those opinions.

Under I-502 the transportation of all marijuana, useable marijuana, marijuana concentrates, and marijuana-infused products must be done by a licensed marijuana producer, processor, or retailer or their employees.

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.

It is a criminal offense to possess marijuana in amounts above specified statutory limits.

Summary of Bill: The 1000-foot buffer requirement on the siting of marijuana businesses also included marijuana research facilities. Local governments may adopt ordinances to decrease the 1000-foot buffer on the siting of marijuana businesses and marijuana research facilities to 500 feet for recreation centers or facilities, child care centers, public parks, public transit centers, or libraries, or any game arcade for those under age 21. The zone may not be reduced for schools or playgrounds. Local governments may prohibit the siting of these facilities up to 1000 feet from a church.

Local governments may not adopt, renew, or extend a prohibition or moratorium on marijuana licensees unless the ordinance is submitted and approved by the voters in their jurisdiction.

A marijuana distribution license is created to allow third-party carriers to transport marijuana, immature marijuana plants, and marijuana products between producers, processors, retailers, and researchers. They may also transport money earned in the marijuana market to financial institutions.

A marijuana delivery license is created allowing marijuana concentrates, immature plants, marijuana-infused products, and useable marijuana to be transported from a retailer to a consumer.

LBC must adopt rules for both distribution and delivery licenses in regard to hours of operation, safety standards, background checks, insurance or bonding requirements, license fees, and license renewals or suspensions. Distribution and delivery licensees are restricted in having a financial interest in other specified marijuana licenses. Possession and delivery of marijuana by licensees operating in compliance with state law and LCB rules are not subject to criminal or civil offenses.

Appropriation: None.

Fiscal Note: Available.

[OFM requested ten-year cost projection pursuant to I-960.]

Committee/Commission/Task Force Created: No.

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

Staff Summary of Public Testimony: PRO: The city of Seattle needs the zoning flexibility to decrease some buffers as proposed in the legislation. The flexibility would allow us to site businesses in other areas of the city, instead of having them concentrated in a few areas. The ability to reduce some buffers to 500 feet fixes a zoning disaster created by the 1000-foot buffer. The bill allows the cities to address their local concerns about siting marijuana businesses and allows us to be responsive to our citizens' needs. Requiring a local vote on the issues of banning marijuana businesses gives local control back to the citizens. The

delivery licenses are a good idea, but should ensure that existing licensees do not need to purchase another license to continue delivering their products to other licensees.

OTHER: Local governments are already making zoning regulations locally in regard to churches. If LCB wants to improve safety they should adopt regulations regarding the facilities they license – for such items as electrical systems. We don't need any more votes about bans, as the state had voted on the issue by passing the Initiative. The bill should not ban delivery businesses from having a financial interest in another marijuana business.

Persons Testifying: PRO: Chris Kealy, Emerald Green Alliance; Jeremy Larson, WA Marijuana Assn.; Art Federico, ATM Delivery Service, LLC; Jeff Gilmore, tier two producer; Scott Plusquellec, City of Seattle; Muraco Kyashna-tocha, Green Buddha.

OTHER: Danielle Rosellison; Erin Palmer, citizens.