

# SENATE BILL REPORT

## SB 5284

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As Reported by Senate Committee On:  
Commerce, Labor & Sports, February 15, 2017

**Title:** An act relating to the oversight and regulation of marijuana.

**Brief Description:** Addressing the oversight and regulation of marijuana. **[Revised for 1st Substitute:** Addressing the regulation of marijuana advertising.]

**Sponsors:** Senators Carlyle and Rivers.

**Brief History:**

**Committee Activity:** Commerce, Labor & Sports: 2/13/17, 2/15/17 [DPS, w/oRec].

**Brief Summary of Substitute Bill**

- Prohibits marijuana licensees from using advertising that is targeted to youth and from using objects or characters that are appealing to children.
- Places additional restrictions on marijuana advertising in public places.
- Bans the use of marijuana advertising on billboards and bans the use of commercial mascots.

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### SENATE COMMITTEE ON COMMERCE, LABOR & SPORTS

**Majority Report:** That Substitute Senate Bill No. 5284 be substituted therefor, and the substitute bill do pass.

Signed by Senators Baumgartner, Chair; Braun, Vice Chair; Keiser, Ranking Minority Member; Conway, King, Rossi, Saldaña and Wilson.

**Minority Report:** That it be referred without recommendation.

Signed by Senator Hasegawa.

**Staff:** Richard Rodger (786-7461)

**Background:** Marijuana Advertising in General. Licensed marijuana producers, processors, researchers, or retailers are prohibited from placing or maintaining an advertisement of marijuana, useable marijuana, marijuana concentrates, or a marijuana-infused product: (1)

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within 1,000 feet of the perimeter of a school grounds, playground, recreation center or facility, child care center, public park, or library, or any game arcade admission to which is not restricted to persons 21 years of age or older; (2) on any public transit vehicle or public transit shelter; or (3) on any publicly owned or operated property.

Signs on Marijuana Retail Businesses. Licensed marijuana retailers may not display any signage outside of the licensed premises, other than two signs identifying the retail outlet by the licensee's business or trade name. Each sign must be no larger than 1600 square inches and be permanently affixed to a building or other structure. The business signs may not be posted within 1000 feet from an elementary school, secondary school, or playground.

Penalties. The Liquor and Cannabis Board (LCB) must fine a marijuana licensee \$1,000 for each violation of the restrictions on advertising.

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

**Summary of Bill (First Substitute):** Findings. Legislative findings are made regarding the state's interest in limiting some marijuana advertising to help discourage and prevent children, youth, and young adults from underage consumption.

Marijuana Advertising in General. Marijuana licensees are prohibited from using advertising that is targeted to youth and from using objects, such as toys, inflatables, characters, or cartoon characters that are appealing to children. The phrases outdoor advertising and transit advertising are defined and additional limitations are placed on their use. The use of billboards, signs, and placards are prohibited in arenas, stadiums, shopping malls, fairs, farmers' markets, and video game arcades, excluding adult-only facilities.

Signs on Marijuana Retail Businesses. Marijuana retail business signs are no longer required to be on the building and may be placed outside of the building. The signs may not be placed in such a proximity to create a larger mosaic-type advertisement.

Commercial Mascots. Marijuana licensees are prohibited from using or employing a commercial mascot outside a licensed marijuana business. Commercial mascots are defined to include live human beings, animals, or mechanical devices used for the purpose of commercial advertising.

Billboards. Advertising of marijuana is prohibited on billboards that are visible from any street, road, highway, right-of-way, or public parking area.

Penalties. The fines for advertising violations remains a mandatory fine of \$1,000, until the LCB adopts rules establishing a schedule of escalating penalties including fines, suspensions or revocations for subsequent violations.

Rulemaking. The LCB must adopt advertising rules that are as restrictive as the state and federal guidelines regulating cigarette advertising.

Local Governments. Local governments may adopt more restrictive advertising restrictions and must do their own enforcement of local laws.

**EFFECT OF CHANGES MADE BY COMMERCE, LABOR & SPORTS COMMITTEE (First Substitute):** One technical amendment was made regarding state and federal guidelines on cigarette advertising.

**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 Proposed Substitute:** *The committee recommended a different version of the bill than what was heard.* PRO: This bill contains important limits on the advertising of marijuana. I've become very uncomfortable with the broad-based marijuana advertising and its de facto effect of encouraging youth consumption. The spirit of the initiative was to create a highly regulated market. We are operating under strict federal guidelines and must discourage youth access and consumption. I believe the federal guidelines would be supportive of selective advertising that is targeted towards adults. Outdoor advertising is particularly a problem in densely populated areas with children and youth viewing them constantly. I considered black box warnings such as those on cigarette ads, but do not think those are sufficient to deter youth.

CON: Our business has 95 percent of all outdoor billboards. We have been working with the LCB on ideas regarding outdoor advertising of marijuana and would like to continue the discussions rather than see an outright ban.

OTHER: We are not opposed to the concepts in the bill and are supportive of more restrictive advertising for marijuana. We don't think there should be sign spinners in front of marijuana stores. These are complicated issues and the bill should set a framework for the LCB to address the issues through rulemaking. We are willing to work on responsible and reasonable advertising restrictions. We need to find a reasonable middle ground between the advertising and rights to free speech. Marijuana advertising constitutes the number one complaint that the LCB receives. This is important legislation that addresses concerns with youth access. The restrictions should also cover inflatables and sandwich boards. The bill should reference state and federal guidelines on tobacco advertising, not laws. This is an important bill and should keep moving to provide a vehicle to address everyone's concerns. Ads should not include depictions of anyone under the age of 21.

**Persons Testifying:** PRO: Senator Reuven Carlyle, Prime Sponsor.

CON: Al Ralston, Lamar Outdoor Advertising.

OTHER: Ezra Eickmeyer, citizen; Philip Dawdy, Have A Heart; Vicki Christophersen, Washington CannaBusiness Association; Brooke Davies, Cannabis Organization of Retail Establishments; Justin Nordhorn, WSLCB.

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