
HOUSE BILL 2335

State of Washington

65th Legislature

2018 Regular Session

By Representatives Sawyer and Condotta

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1 AN ACT Relating to business practices by marijuana retailers that
2 may mislead the public as to the ownership of a retailer; and
3 amending RCW 69.50.369 and 69.50.342.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 **Sec. 1.** RCW 69.50.369 and 2017 c 317 s 14 are each amended to
6 read as follows:

7 (1) No licensed marijuana producer, processor, researcher, or
8 retailer may place or maintain, or cause to be placed or maintained,
9 any sign or other advertisement for a marijuana business or marijuana
10 product, including useable marijuana, marijuana concentrates, or
11 marijuana-infused product, in any form or through any medium
12 whatsoever within one thousand feet of the perimeter of a school
13 grounds, playground, recreation center or facility, child care
14 center, public park, or library, or any game arcade admission to
15 which is not restricted to persons aged twenty-one years or older.

16 (2) Except for the use of billboards as authorized under this
17 section, licensed marijuana retailers may not display any signage
18 outside of the licensed premises, other than two signs identifying
19 the retail outlet by the licensee's business or trade name, stating
20 the location of the business, and identifying the nature of the
21 business. Each sign must be no larger than one thousand six hundred

1 square inches and be permanently affixed to a building or other
2 structure. The location and content of the retail marijuana signs
3 authorized under this subsection are subject to all other
4 requirements and restrictions established in this section for indoor
5 signs, outdoor signs, and other marijuana-related advertising
6 methods.

7 (3) A marijuana licensee may not utilize transit advertisements
8 for the purpose of advertising its business or product line. "Transit
9 advertisements" means advertising on or within private or public
10 vehicles and all advertisements placed at, on, or within any bus
11 stop, taxi stand, transportation waiting area, train station,
12 airport, or any similar transit-related location.

13 (4) A marijuana licensee may not engage in advertising or other
14 marketing practice that specifically targets persons residing outside
15 of the state of Washington.

16 (5) All signs, billboards, or other print advertising for
17 marijuana businesses or marijuana products must contain text stating
18 that marijuana products may be purchased or possessed only by persons
19 twenty-one years of age or older.

20 (6) A marijuana licensee may not:

21 (a) Take any action, directly or indirectly, to target youth in
22 the advertising, promotion, or marketing of marijuana and marijuana
23 products, or take any action the primary purpose of which is to
24 initiate, maintain, or increase the incidence of youth use of
25 marijuana or marijuana products;

26 (b) Use objects such as toys or inflatables, movie or cartoon
27 characters, or any other depiction or image likely to be appealing to
28 youth, where such objects, images, or depictions indicate an intent
29 to cause youth to become interested in the purchase or consumption of
30 marijuana products; or

31 (c) Use or employ a commercial mascot outside of, and in
32 proximity to, a licensed marijuana business. A "commercial mascot"
33 means live human being, animal, or mechanical device used for
34 attracting the attention of motorists and passersby so as to make
35 them aware of marijuana products or the presence of a marijuana
36 business. Commercial mascots include, but are not limited to,
37 inflatable tube displays, persons in costume, or wearing, holding, or
38 spinning a sign with a marijuana-related commercial message or image,
39 where the intent is to draw attention to a marijuana business or its
40 products.

1 (7) A marijuana licensee that engages in outdoor advertising is
2 subject to the advertising requirements and restrictions set forth in
3 this subsection (7) and elsewhere in this chapter.

4 (a) All outdoor advertising signs, including billboards, are
5 limited to text that identifies the retail outlet by the licensee's
6 business or trade name, states the location of the business, and
7 identifies the type or nature of the business. Such signs may not
8 contain any depictions of marijuana plants, marijuana products, or
9 images that might be appealing to children. The state liquor and
10 cannabis board is granted rule-making authority to regulate the text
11 and images that are permissible on outdoor advertising. Such rule
12 making must be consistent with other administrative rules generally
13 applicable to the advertising of marijuana businesses and products.

14 (b) Outdoor advertising is prohibited:

15 (i) On signs and placards in arenas, stadiums, shopping malls,
16 fairs that receive state allocations, farmers markets, and video game
17 arcades, whether any of the foregoing are open air or enclosed, but
18 not including any such sign or placard located in an adult only
19 facility; and

20 (ii) Billboards that are visible from any street, road, highway,
21 right-of-way, or public parking area are prohibited, except as
22 provided in (c) of this subsection.

23 (c) Licensed retail outlets may use a billboard or outdoor sign
24 solely for the purpose of identifying the name of the business, the
25 nature of the business, and providing the public with directional
26 information to the licensed retail outlet. Billboard advertising is
27 subject to the same requirements and restrictions as set forth in (a)
28 of this subsection.

29 (d) Advertising signs within the premises of a retail marijuana
30 business outlet that are visible to the public from outside the
31 premises must meet the signage regulations and requirements
32 applicable to outdoor signs as set forth in this section.

33 (e) The restrictions and regulations applicable to outdoor
34 advertising under this section are not applicable to:

35 (i) An advertisement inside a licensed retail establishment that
36 sells marijuana products that is not placed on the inside surface of
37 a window facing outward; or

38 (ii) An outdoor advertisement at the site of an event to be held
39 at an adult only facility that is placed at such site during the
40 period the facility or enclosed area constitutes an adult only

1 facility, but in no event more than fourteen days before the event,
2 and that does not advertise any marijuana product other than by using
3 a brand name to identify the event.

4 (8) Merchandising within a retail outlet is not advertising for
5 the purposes of this section.

6 (9) This section does not apply to a noncommercial message.

7 (10)(a) The state liquor and cannabis board must:

8 (i) Adopt rules implementing this section and specifically
9 including provisions regulating the billboards and outdoor signs
10 authorized under this section; and

11 (ii) Fine a licensee one thousand dollars for each violation of
12 this section until the state liquor and cannabis board adopts rules
13 prescribing penalties for violations of this section. The rules must
14 establish escalating penalties including fines and up to suspension
15 or revocation of a marijuana license for subsequent violations.

16 (b) Fines collected under this subsection must be deposited into
17 the dedicated marijuana account created under RCW 69.50.530.

18 (11) A city, town, or county may adopt rules of outdoor
19 advertising by licensed marijuana retailers that are more restrictive
20 than the advertising restrictions imposed under this chapter.
21 Enforcement of restrictions to advertising by a city, town, or county
22 is the responsibility of the city, town, or county.

23 (12)(a) A marijuana retailer may not advertise or represent
24 itself to the public in a manner that would cause a reasonable person
25 to believe the marijuana retailer is under common ownership with, or
26 otherwise affiliated with, another marijuana retailer or retailers,
27 unless all of the retailers are under common ownership.

28 (b) For purposes of this subsection (12), "common ownership"
29 means having at least one person with an ownership interest in all of
30 the marijuana retailers in the advertisement or commercial
31 representation.

32 (c) This subsection (12) does not prohibit:

33 (i) Multiple marijuana retailers with different business or trade
34 names and different owners from acting as a group for the purpose of
35 making group purchases of marijuana products from a marijuana
36 processor; or

37 (ii) A marijuana retailer from advertising or representing to the
38 public the retailer's membership in a trade association.

1 **Sec. 2.** RCW 69.50.342 and 2015 2nd sp.s. c 4 s 1601 are each
2 amended to read as follows:

3 (1) For the purpose of carrying into effect the provisions of
4 chapter 3, Laws of 2013 according to their true intent or of
5 supplying any deficiency therein, the state liquor and cannabis board
6 may adopt rules not inconsistent with the spirit of chapter 3, Laws
7 of 2013 as are deemed necessary or advisable. Without limiting the
8 generality of the preceding sentence, the state liquor and cannabis
9 board is empowered to adopt rules regarding the following:

10 (a) The equipment and management of retail outlets and premises
11 where marijuana is produced or processed, and inspection of the
12 retail outlets and premises where marijuana is produced or processed;

13 (b) The books and records to be created and maintained by
14 licensees, the reports to be made thereon to the state liquor and
15 cannabis board, and inspection of the books and records;

16 (c) Methods of producing, processing, and packaging marijuana,
17 useable marijuana, marijuana concentrates, and marijuana-infused
18 products; conditions of sanitation; safe handling requirements;
19 approved pesticides and pesticide testing requirements; and standards
20 of ingredients, quality, and identity of marijuana, useable
21 marijuana, marijuana concentrates, and marijuana-infused products
22 produced, processed, packaged, or sold by licensees;

23 (d) Security requirements for retail outlets and premises where
24 marijuana is produced or processed, and safety protocols for
25 licensees and their employees;

26 (e) Screening, hiring, training, and supervising employees of
27 licensees;

28 (f) Retail outlet locations and hours of operation;

29 (g) Labeling requirements and restrictions on advertisement of
30 marijuana, useable marijuana, marijuana concentrates, cannabis health
31 and beauty aids, and marijuana-infused products for sale in retail
32 outlets;

33 (h) Forms to be used for purposes of this chapter and chapter
34 69.51A RCW or the rules adopted to implement and enforce these
35 chapters, the terms and conditions to be contained in licenses issued
36 under this chapter and chapter 69.51A RCW, and the qualifications for
37 receiving a license issued under this chapter and chapter 69.51A RCW,
38 including a criminal history record information check. The state
39 liquor and cannabis board may submit any criminal history record
40 information check to the Washington state patrol and to the

1 identification division of the federal bureau of investigation in
2 order that these agencies may search their records for prior arrests
3 and convictions of the individual or individuals who filled out the
4 forms. The state liquor and cannabis board must require
5 fingerprinting of any applicant whose criminal history record
6 information check is submitted to the federal bureau of
7 investigation;

8 (i) Application, reinstatement, and renewal fees for licenses
9 issued under this chapter and chapter 69.51A RCW, and fees for
10 anything done or permitted to be done under the rules adopted to
11 implement and enforce this chapter and chapter 69.51A RCW;

12 (j) The manner of giving and serving notices required by this
13 chapter and chapter 69.51A RCW or rules adopted to implement or
14 enforce these chapters;

15 (k) Times and periods when, and the manner, methods, and means by
16 which, licensees transport and deliver marijuana, marijuana
17 concentrates, useable marijuana, and marijuana-infused products
18 within the state;

19 (l) Identification, seizure, confiscation, destruction, or
20 donation to law enforcement for training purposes of all marijuana,
21 marijuana concentrates, useable marijuana, and marijuana-infused
22 products produced, processed, sold, or offered for sale within this
23 state which do not conform in all respects to the standards
24 prescribed by this chapter or chapter 69.51A RCW or the rules adopted
25 to implement and enforce these chapters; and

26 (m) Civil penalties for a violation or violations of RCW
27 69.50.369(12), and types of advertising methods and business
28 practices prohibited by RCW 69.50.369(12).

29 (2) Rules adopted on retail outlets holding medical marijuana
30 endorsements must be adopted in coordination and consultation with
31 the department.

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