<u>SSB 5318</u> - S AMD TO S AMD (S-2696.1/19) **363**By Senator Palumbo

RULED BEYOND SCOPE 03/11/2019

- 1 On page 14, after line 15, insert the following:
- 2 "Sec. 9. RCW 69.50.369 and 2017 c 317 s 14 are each amended to read as follows:
 - (1) No licensed marijuana producer, processor, researcher, or retailer may place or maintain, or cause to be placed or maintained, any sign or other advertisement for a marijuana business or marijuana product, including useable marijuana, marijuana concentrates, or marijuana-infused product, in any form or through any medium whatsoever within one thousand 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 aged twenty-one years or older.
 - (2) ((Except for the use of billboards as authorized under this section,)) Licensed marijuana retailers may not display any signage outside of the licensed premises, other than reader boards, plus two signs identifying the retail outlet by the licensee's business or trade name, stating the location of the business, and identifying the nature of the business. ((Each sign must be no larger than one thousand six hundred square inches and be permanently affixed to a building or other structure.)) The location and content of the retail marijuana signs authorized under this subsection are subject to all other requirements and restrictions established in this section for indoor signs, outdoor signs, and other marijuana-related advertising methods.
 - (3) A marijuana licensee may not utilize transit advertisements for the purpose of advertising its business or product line. "Transit advertisements" means advertising on or within private or public vehicles and all advertisements placed at, on, or within any bus stop, taxi stand, transportation waiting area, train station, airport, or any similar transit-related location.

- (4) A marijuana licensee may not engage in advertising or other marketing practice that specifically targets persons residing outside of the state of Washington.
- (5) All signs((, billboards,)) or other print advertising for marijuana businesses or marijuana products must contain text stating that marijuana products may be purchased or possessed only by persons twenty-one years of age or older.
 - (6) A marijuana licensee may not:

- (a) Take any action, directly or indirectly, to target youth in the advertising, promotion, or marketing of marijuana and marijuana products, or take any action the primary purpose of which is to initiate, maintain, or increase the incidence of youth use of marijuana or marijuana products;
- (b) Use objects such as toys or inflatables, movie or cartoon characters, or any other depiction or image likely to be appealing to youth, where such objects, images, or depictions indicate an intent to cause youth to become interested in the purchase or consumption of marijuana products; or
- (c) Use or employ a commercial mascot outside of, and in proximity to, a licensed marijuana business. A "commercial mascot" means live human being, animal, or mechanical device used for attracting the attention of motorists and passersby so as to make them aware of marijuana products or the presence of a marijuana business. Commercial mascots include, but are not limited to, inflatable tube displays, persons in costume, or wearing, holding, or spinning a sign with a marijuana-related commercial message or image, where the intent is to draw attention to a marijuana business or its products.
- (7) A marijuana licensee that engages in outdoor advertising is subject to the advertising requirements and restrictions set forth in this subsection (7) and elsewhere in this chapter.
- (a) All outdoor advertising signs, ((including billboards)) with the exception of outdoor advertising authorized by a local government under subsection (12) of this section, are limited to text that identifies the retail outlet by the licensee's business or trade name, states the location of the business, and identifies the type or nature of the business. Such signs may not contain any depictions of marijuana plants, marijuana products, or images that might be appealing to children. The state liquor and cannabis board is granted rule-making authority to regulate the text and images that are Code Rev/KB:lel

 2 S-2405.2/19 2nd draft

1 permissible on outdoor advertising. Such rule making must consistent with other administrative rules generally applicable to 2 the advertising of marijuana businesses and products. 3

(b) Outdoor advertising is prohibited:

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- (i) On signs and placards in arenas, stadiums, shopping malls, fairs that receive state allocations, farmers markets, and video game arcades, whether any of the foregoing are open air or enclosed, but not including any such sign or placard located in an adult only facility; and
- (ii) On billboards that are visible from any street, road, 10 11 highway, right-of-way, or public parking area ((are prohibited, 12 except as provided in (c) of this subsection)).
 - (c) Licensed retail outlets may use ((a billboard or)) an outdoor sign solely for the purpose of identifying the name of the business, the nature of the business, and providing the public with directional information to the licensed retail outlet. ((Billboard advertising is subject to the same requirements and restrictions as set forth in (a) of this subsection.))
- (d) Advertising signs within the premises of a retail marijuana business outlet that are visible to the public from outside the 21 premises must meet the signage regulations and requirements applicable to outdoor signs as set forth in this section. 22
- 23 The restrictions and regulations applicable to outdoor advertising under this section are not applicable to: 24
 - (i) An advertisement inside a licensed retail establishment that sells marijuana products that is not placed on the inside surface of a window facing outward; or
 - (ii) An outdoor advertisement at the site of an event to be held at an adult only facility that is placed at such site during the period the facility or enclosed area constitutes an adult only facility, but in no event more than fourteen days before the event, and that does not advertise any marijuana product other than by using a brand name to identify the event.
- (8) Merchandising within a retail outlet is not advertising for 34 the purposes of this section. 35
 - (9) This section does not apply to a noncommercial message.
 - (10) (a) The state liquor and cannabis board must:
- Adopt rules implementing this section and specifically 38 including provisions regulating ((the billboards and)) outdoor signs 39 40 authorized under this section; and

- (ii) Fine a licensee one thousand dollars for each violation of this section until the state liquor and cannabis board adopts rules prescribing penalties for violations of this section. The rules must establish escalating penalties including fines and up to suspension or revocation of a marijuana license for subsequent violations.
 - (b) Fines collected under this subsection must be deposited into the dedicated marijuana account created under RCW 69.50.530.
 - (11) A city, town, or county may adopt rules of outdoor advertising by licensed marijuana retailers that are more restrictive than the advertising restrictions imposed under this chapter. Enforcement of restrictions to advertising by a city, town, or county is the responsibility of the city, town, or county.
- 13 (12) A city, town, or county may adopt rules of outdoor advertising by licensed marijuana retailers that are less restrictive 14 than the advertising restrictions imposed under this chapter, so long 15 as the rules are consistent with the signage provisions allowed for 16 17 other businesses. The local government may regulate the signage for licensed marijuana retailers in terms of number, size, and content, 18 except for the restrictions concerning advertising that is appealing 19 to children and the restriction on location of signs specified in 20 21 subsection (1) of this section."
- Renumber the remaining sections consecutively and correct any internal references accordingly.

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On page 22, beginning on line 30, after "69.50.342" strike "and 69.50.331" and insert ", 69.50.331, and 69.50.369"

<u>EFFECT:</u> Outdoor advertising is prohibited on billboards that are visible from any street, road, highway, right-of-way, or public parking area.

Marijuana retailers may have a reader board outside of the premises. The two signs outside of the business are no longer limited to 1,600 square inches.

Local governments may adopt rules for outdoor advertising that are less restrictive than the statutory requirements, so long as the rules are consistent with the signage requirements for other businesses.

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Local governments may not alter the restrictions concerning advertising that is appealing to children or the restrictions on location of signs near schools, parks, playgrounds, and other similar entities.

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