

# HOUSE BILL REPORT

## HB 2359

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### As Reported by House Committee On: Commerce & Gaming

**Title:** An act relating to creating a certificate of compliance for marijuana business premises that meet the statutory qualifications at the time of application.

**Brief Description:** Creating a certificate of compliance for marijuana business premises that meet the statutory qualifications at the time of application.

**Sponsors:** Representatives Vick and Wylie.

#### **Brief History:**

##### **Committee Activity:**

Commerce & Gaming: 1/30/20, 2/3/20 [DPS].

#### **Brief Summary of Substitute Bill**

- Requires the Liquor and Cannabis Board to issue a certificate of compliance for marijuana business premises that meet the statutory distance requirements at the time of application.
- Provides that a certificate of compliance allows the licensee to operate the business at the proposed location notwithstanding a later occurring, otherwise disqualifying factor.

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### HOUSE COMMITTEE ON COMMERCE & GAMING

**Majority Report:** The substitute bill be substituted therefor and the substitute bill do pass. Signed by 11 members: Representatives Peterson, Chair; Kloba, Vice Chair; MacEwen, Ranking Minority Member; Chambers, Assistant Ranking Minority Member; Blake, Jenkin, Kirby, Morgan, Ramel, Vick and Young.

**Staff:** Kyle Raymond (786-7190).

#### **Background:**

The Liquor and Cannabis Board (LCB) is generally prohibited from issuing a marijuana license for any premises within 1,000 feet of an elementary or secondary school, playground,

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recreation center, child care center, public park, public transit center, library, or game arcade admission that is not restricted to persons age 21 or older.

A local government may adopt an ordinance that reduces the 1,000 foot buffer zone to not less than 100 feet of a recreation center, child care center, public park, public transit center, library, or game arcade admission that is not restricted to a person age 21 or older. The LCB may issue a license to marijuana producers, processors, and retailers in compliance with a local distance-reduction ordinance, so long as the issuance of the license will not negatively impact the jurisdiction's civil regulatory enforcement, criminal law enforcement interests, public safety, or public health.

A local government may adopt an ordinance that reduces the 1,000 foot buffer zone to not less than 100 feet of all of the above listed entities/facilities for the purpose of licensing a marijuana research facility. However, the issuance of the research license must not negatively impact the jurisdiction's civil regulatory enforcement, criminal law enforcement interests, public safety, or public health.

Further, before issuing or renewing a marijuana research license for a premises located within 1,000 feet but not less than 100 feet of an elementary school, secondary school, or playground in compliance with a local distance-reduction ordinance, the LCB must ensure the facility meets the following requirements:

- The facility must meet a security standard exceeding the standard applicable to marijuana producer, processor, or retailer licensees.
- The facility must be inaccessible to the public and no part of the operation of the facility may be in view of the general public.
- The facility may bear no advertising or signage indicating it is a marijuana research facility.

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### **Summary of Substitute Bill:**

The Liquor and Cannabis Board (LCB) must issue a certificate of compliance for marijuana business premises that meet the minimum distance requirements in statute. The LCB must issue the certificate of compliance upon verification and approval that the location is in compliance with minimum distance requirements.

The certificate of compliance allows the licensee to operate the business at the proposed location notwithstanding a later occurring, otherwise disqualifying factor.

### **Substitute Bill Compared to Original Bill:**

The substitute bill requires the Liquor and Cannabis Board to issue a certificate of compliance to a licensee upon approval that the location is in compliance with minimum distance requirements in statute, rather than on the date of the licensee's application.

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**Appropriation:** None.

**Fiscal Note:** Available.

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

**Staff Summary of Public Testimony:**

(In support) There have been a number of licenses that have been adversely impacted over the years when licensees have secured a compliant location that was later rendered non-compliant due to a new business opening up before the licensee received final approval. In some cases, aggressive competitors have opened up arcades to prevent their competitor locations from receiving that final approval. Sometimes securing final approval for a license can take six months to a year before licensees are grandfathered in. This bill would allow licensees some security that the location was compliant at the time they started the application.

(Opposed) None.

**Persons Testifying:** Representative Vick, prime sponsor; Crystal Oliver, Washington Sun growers Industry Association; Brooke Davies, Washington CannaBusiness Association; and Chris Thompson, Liquor and Cannabis Board.

**Persons Signed In To Testify But Not Testifying:** None.