

SENATE BILL REPORT

SB 5599

As of February 4, 2019

Title: An act relating to marijuana businesses operated by a municipal corporation, commission, or authority.

Brief Description: Expanding business opportunities for marijuana businesses operated by a municipal corporation, commission, or authority.

Sponsors: Senators Hasegawa and Nguyen.

Brief History:

Committee Activity: Labor & Commerce: 2/18/19.

Brief Summary of Bill

- Requires the Liquor and Cannabis Board to issue additional licenses to any local government applying to operate a retail marijuana outlet if there are no licensed marijuana retail outlets operating within five miles of the proposed location; and the local government did not have a ban or moratorium on marijuana retail businesses in the previous twelve months.

SENATE COMMITTEE ON LABOR & COMMERCE

Staff: Richard Rodger (786-7461)

Background: The Liquor and Cannabis Board (LCB) is authorized to issue licenses to marijuana retailers to sell marijuana products and paraphernalia at retail to persons at least twenty one years of age.

The LCB must consult with the Office of Financial Management (OFM) to determine the maximum number of marijuana retail outlets that may be licensed in each county. When setting the maximum number of licenses, the LCB and OFM must consider:

- population distribution;
- security and safety issues;
- the provision of adequate access to licensed sources of marijuana and marijuana products to discourage purchases from the illegal market;

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.

- the number of retail outlets holding medical marijuana endorsements necessary to meet the medical needs of qualifying patients; and
- information contained in the medical marijuana authorization database.

The LCB's current authorized limit on the number of marijuana retail outlets is set at 556 stores. The board has issued all of the authorized licenses and is no longer accepting applications for additional licenses.

There is one local government, the City of North Bonneville, that is licensed in Washington State to operate a marijuana retail outlet.

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

Summary of Bill (Proposed Substitute): In determining the maximum number of marijuana retail outlets that may be licensed in each county, the LCB must consult with OFM's Forecasting and Research Division.

The LCB's reconsideration of the maximum number of retail outlets needed to meet the medical needs of qualifying patients may also consider any additional data sources necessary to estimate the size and scope of the medical market demand.

The LCB must issue additional licenses to any municipal corporation, commission, or authority created by a lawfully adopted ordinance or resolution applying to operate a retail marijuana outlet, if:

- there are no licensed marijuana retail outlets operating a business within five miles of the location proposed by the local government; and
- the county, city, or town that created the municipal corporation, commission, or authority did not have a ban or moratorium that prevented marijuana retail businesses from operating within the local government's jurisdiction in the previous twelve months before the formation of the municipal corporation, commission, or authority.

Appropriation: None.

Fiscal Note: Requested on February 1, 2019.

Creates Committee/Commission/Task Force that includes Legislative members: No.

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