
HOUSE BILL 2279

State of Washington

66th Legislature

2020 Regular Session

By Representatives Dolan, Appleton, and Wylie

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1 AN ACT Relating to improving the development of the marijuana
2 market by enacting provisions specific to craft cannabis production;
3 and adding new sections to chapter 69.50 RCW.

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

5 NEW SECTION. **Sec. 1.** A new section is added to chapter 69.50
6 RCW to read as follows:

7 (1) There is a craft marijuana producer license available to
8 applicants meeting the qualifications and requirements in this
9 section. Except as otherwise provided in this section, the privileges
10 and requirements of a craft marijuana producer license issued under
11 this section are the same privileges and requirements of a marijuana
12 producer license issued under RCW 69.50.325. To qualify for a craft
13 marijuana producer license an applicant must meet all qualifications
14 for a marijuana license in RCW 69.50.331.

15 (2)(a) Except as provided in (b) of this subsection, the amount
16 of the application fee and annual fee for a craft marijuana producer
17 license is the same amount as the application fee and annual fee for
18 a marijuana producer license under RCW 69.50.325.

19 (b) The board shall establish a reduced application fee and
20 reduced license fee for a craft marijuana producer applicant or
21 licensee, for social equity purposes, based on the applicant or

1 licensee's race, creed, color, sex, national origin, sexual
2 orientation, families with children status, honorably discharged
3 veteran or military status, or based on any sensory, mental, or
4 physical disability of the applicant or licensee.

5 (3) (a) The holder of a craft marijuana producer license may not
6 hold any other marijuana license issued under this chapter or have an
7 ownership interest in, management role in, or exercise control over a
8 business or entity that holds any other marijuana license issued
9 under this chapter.

10 (b) A craft marijuana producer licensee is subject to the
11 following production limits:

12 (i) If production is indoors, the licensee may have no more than
13 ten thousand square feet of production canopy;

14 (ii) If production is seasonal sun-grown production, the licensee
15 may have no more than thirty thousand square feet of production
16 canopy; and

17 (iii) If production is at a facility at which marijuana is
18 cultivated by indoor production and seasonal sun-grown production,
19 the licensee must have less than ten thousand square feet of indoor
20 production canopy. Additionally, the licensee may have seasonal sun-
21 grown production canopy equal to three times the difference between
22 ten thousand square feet and the number of square feet of indoor
23 production canopy authorized for the licensee. By way of example,
24 without limiting the authorized combinations of indoor and seasonal
25 sun-grown production canopy under this subsection (3) (b) (iii), a
26 licensee may have:

27 (A) Four thousand square feet of indoor production canopy and
28 eighteen thousand square feet of seasonal sun-grown production
29 canopy;

30 (B) Five thousand square feet of indoor production canopy and
31 fifteen thousand square feet of seasonal sun-grown production canopy;
32 or

33 (C) Nine thousand square feet of indoor production canopy and
34 three thousand square feet of seasonal sun-grown production canopy.

35 (4) (a) Pursuant to rules adopted by the board by October 1, 2020,
36 craft marijuana producers may make retail sales of useable marijuana
37 to adults age twenty-one and over from the licensed production
38 facility. Useable marijuana sold at retail must be produced entirely
39 by the craft marijuana producer selling the useable marijuana. The
40 retail sales limits in RCW 69.50.360(3) apply to retail sales

1 authorized under this subsection. All taxes applicable to retail
2 sales of marijuana by a marijuana retailer apply to retail sales of
3 useable marijuana by a craft marijuana producer. Craft marijuana
4 producers licensed under this section may process marijuana produced
5 entirely by the licensee into useable marijuana and package the
6 useable marijuana for sale as authorized in this section.

7 (b) For purposes of local zoning and land use ordinances, retail
8 sales of useable marijuana by a licensee under this section are
9 considered ancillary to, and do not alter, the primary use of the
10 property as an agricultural, industrial, or commercial use. A city,
11 town, or county may not prohibit a craft marijuana producer from
12 conducting retail sales of useable marijuana authorized under this
13 section.

14 (5)(a) Beginning on the effective date of this section, a
15 marijuana producer licensed under RCW 69.50.325 who qualifies for a
16 license under this section may opt to transition to a license issued
17 under this section without paying an additional fee.

18 (b) A craft marijuana producer licensed under this section may
19 opt to transition to a marijuana producer license issued under RCW
20 69.50.325.

21 (6) For purposes of this section:

22 (a) "Indoor production" means marijuana production where
23 artificial light is used to cultivate the marijuana plants; and

24 (b) "Seasonal sun-grown production" means marijuana production
25 conducted outdoors seasonally on an expanse of open or cleared ground
26 with or without the use of temporary structures.

27 NEW SECTION. **Sec. 2.** A new section is added to chapter 69.50
28 RCW to read as follows:

29 (1) There is a craft marijuana producer/processor license
30 available to applicants meeting the qualifications and requirements
31 in this section. Except as otherwise provided in this section, the
32 privileges and requirements of a craft marijuana producer/processor
33 license issued under this section are the same privileges and
34 requirements of a marijuana producer license and of a marijuana
35 processor license issued under RCW 69.50.325. To qualify for a craft
36 marijuana producer/processor license an applicant must meet all
37 qualifications for a marijuana license in RCW 69.50.331.

38 (2)(a) Except as provided in (b) of this subsection, the amount
39 of the application fee and annual fee for a craft marijuana producer/

1 processor license is the same amount as the application fee and
2 annual fee for both a marijuana producer license and a marijuana
3 processor license under RCW 69.50.325.

4 (b) The board shall establish a reduced application fee and
5 reduced license fee for a craft marijuana producer/processor
6 applicant or licensee, for social equity purposes, based on the
7 applicant or licensee's race, creed, color, sex, national origin,
8 sexual orientation, families with children status, honorably
9 discharged veteran or military status, or based on any sensory,
10 mental, or physical disability of the applicant or licensee.

11 (3)(a) The holder of a craft marijuana producer/processor license
12 may not hold any other marijuana license issued under this chapter or
13 have an ownership interest in, management role in, or exercise
14 control over a business or entity that holds any other marijuana
15 license issued under this chapter.

16 (b) A craft marijuana producer/processor licensee is subject to
17 the following production and processing limits:

18 (i) If production is indoors, the licensee may have no more than
19 ten thousand square feet of production canopy;

20 (ii) If production is seasonal sun-grown production, the licensee
21 may have no more than thirty thousand square feet of production
22 canopy; and

23 (iii) If production is at a facility at which marijuana is
24 cultivated by indoor production and seasonal sun-grown production,
25 the licensee must have less than ten thousand square feet of indoor
26 production canopy. Additionally, the licensee may have seasonal sun-
27 grown production canopy equal to three times the difference between
28 ten thousand square feet and the number of square feet of indoor
29 production canopy authorized for the licensee. By way of example,
30 without limiting the authorized combinations of indoor and seasonal
31 sun-grown production canopy under this subsection (3)(b)(iii), a
32 licensee may have:

33 (A) Four thousand square feet of indoor production canopy and
34 eighteen thousand square feet of seasonal sun-grown production
35 canopy;

36 (B) Five thousand square feet of indoor production canopy and
37 fifteen thousand square feet of seasonal sun-grown production canopy;
38 or

39 (C) Nine thousand square feet of indoor production canopy and
40 three thousand square feet of seasonal sun-grown production canopy.

1 (4) (a) Pursuant to rules adopted by the board by October 1, 2020,
2 licensees may make retail sales of marijuana products produced and
3 processed entirely by the craft marijuana producer/processor to
4 adults age twenty-one and over from the licensed facility. The retail
5 sales limits in RCW 69.50.360(3) apply to retail sales authorized
6 under this subsection. All taxes applicable to retail sales of
7 marijuana products by a marijuana retailer apply to retail sales of
8 marijuana products by a craft marijuana producer/processor.

9 (b) For purposes of local zoning and land use ordinances, retail
10 sales of marijuana by a licensee under this section are considered
11 ancillary to, and do not alter, the primary use of the property as an
12 agricultural, industrial, or commercial use. A city, town, or county
13 may not prohibit a craft marijuana producer/processor from conducting
14 retail sales of marijuana authorized under this section.

15 (5) (a) Beginning on the effective date of this section, a person,
16 business, or entity who holds both a marijuana producer license and a
17 marijuana processor license issued under RCW 69.50.325, and who
18 qualifies for a license under this section, may opt to transition to
19 a license issued under this section without paying additional fees.

20 (b) A craft marijuana producer/processor licensed under this
21 section may opt to transition to a marijuana producer license and a
22 marijuana processor license issued under RCW 69.50.325.

23 (6) For purposes of this section:

24 (a) "Indoor production" means marijuana production where
25 artificial light is used to cultivate the marijuana plants; and

26 (b) "Seasonal sun-grown production" means marijuana production
27 conducted outdoors seasonally on an expanse of open or cleared ground
28 with or without the use of temporary structures.

29 NEW SECTION. **Sec. 3.** A new section is added to chapter 69.50
30 RCW to read as follows:

31 The board shall establish an advisory group of craft marijuana
32 producers and processors who are licensed under section 1 or 2 of
33 this act. The board shall solicit input from, and consult with, the
34 advisory group when developing policies or rules related to the
35 production and/or processing of marijuana. The advisory group is a
36 class one group as provided in RCW 43.03.220 and members of the

1 advisory group may be reimbursed for travel expenses in accordance
2 with RCW 43.03.050 and 43.03.060.

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