
SUBSTITUTE SENATE BILL 6393

State of Washington

66th Legislature

2020 Regular Session

By Senate Labor & Commerce (originally sponsored by Senators Conway, Saldaña, Keiser, Hasegawa, Van De Wege, Wilson, C., and Nguyen)

READ FIRST TIME 02/07/20.

1 AN ACT Relating to cannabis industry workplace standards;
2 amending RCW 69.50.325; and adding a new section to chapter 69.50
3 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) Except as provided in subsection (2) of this section, to
8 renew a marijuana producer, processor, retailer, or transportation
9 license, the licensee must demonstrate the licensee has in place
10 business practices, employee benefits, or policies sufficient to earn
11 at least one hundred points as provided in this section. Each of the
12 following business practices, employee benefits, or policies
13 identified in (a) through (o) of this subsection and adopted by a
14 licensee or offered by a licensee to employees is worth the following
15 amounts of points, and may be combined by a licensee to earn at least
16 one hundred points:

17 (a) Providing at least eighty-five percent of full-time and part-
18 time employees with a living wage is twenty-five points. A living
19 wage is at least one hundred fifty percent of the state minimum wage.
20 Commissions and bonuses constitute wages and are counted as wages in

1 the work week in which they are earned. Wages do not include an
2 employer payment toward a health benefits plan;

3 (b) Establishing and administering a workplace health and safety
4 plan is twenty points. The plan must include monthly meetings between
5 management and employees where employees may report health and safety
6 issues;

7 (c) Offering at least eighty-five percent of full-time and part-
8 time hourly employees health care coverage under a health benefits
9 plan is forty points. Offering health care coverage that is fully
10 paid by the employer is an additional five points. Offering a health
11 benefits plan that includes dental and vision coverage is an
12 additional five points;

13 (d) Offering at least eighty-five percent of full-time and part-
14 time hourly employees employer-provided retirement benefits is twenty
15 points;

16 (e) Establishing and administering a code of conduct that
17 includes a sexual harassment prevention policy and an anti-
18 retaliation policy is twenty points;

19 (f) Establishing and administering a community engagement
20 program, is twenty points;

21 (g) Receiving state certification under chapter 39.19 RCW as a
22 minority or women-owned and operated marijuana business enterprise is
23 twenty points;

24 (h) Establishing and having in effect an agreement between the
25 employer and a bona fide labor organization in which the employer
26 agrees to remain neutral or otherwise agrees to work with or provide
27 information to the bona fide labor organization for the purposes of
28 unionizing employees is twenty-five points;

29 (i) Having in effect a collective bargaining agreement covering
30 the licensee's employees is forty points;

31 (j) Offering one or more of the following employee support
32 programs is twenty points:

33 (i) A profit-sharing program;

34 (ii) A child care program; or

35 (iii) A tuition reimbursement program;

36 (k) Administering an environmental stewardship plan is fifteen
37 points. An environmental stewardship plan must be a plan of action to
38 minimize the licensee's carbon footprint, environmental impact, and
39 resource needs, including policies for recycling marijuana product

1 packaging and seeking to minimize the amount of waste created by the
2 licensee;

3 (1) Establishing and administering a security and recordkeeping
4 plan is fifteen points. A security and recordkeeping plan must:

5 (i) Be sufficient to comply with security requirements
6 established by the board pursuant to RCW 69.50.342(1)(d);

7 (ii) Address recordkeeping, tracking and monitoring of inventory,
8 and quality control; and

9 (iii) Address destruction and disposal of marijuana product in
10 accordance with board rules;

11 (m) Having eighty-five percent of full-time and part-time
12 employees complete training provided by the board on compliance,
13 safety, and preventing sales to minors is five points;

14 (n) Offering one or more of the following to a licensee's
15 employees is ten points:

16 (i) An employee transportation subsidy;

17 (ii) Identity theft protection;

18 (iii) Life insurance; or

19 (iv) An employee wellness program; and

20 (o) Locating the licensed business in a community with an average
21 income below three hundred percent of the federal poverty level is
22 five points.

23 (2)(a) If the board determines that a licensee otherwise meets
24 the requirements for license renewal established in this chapter but
25 that the licensee has not earned at least one hundred points as
26 required by subsection (1) of this section, then the board shall
27 approve the renewal of the license on the condition that the licensee
28 has one year to comply with this section and earn at least one
29 hundred points as provided in this section.

30 (b) After the expiration of one year from the date a licensee is
31 notified the licensee has not earned one hundred points as required
32 under this section, the board may suspend or revoke the license if
33 the board determines the licensee still does not have in place
34 business practices, employee benefits, or policies sufficient to earn
35 at least one hundred points as provided in this section.

36 (3) The board:

37 (a) May adopt rules to administer this section; and

38 (b) Has discretion in determining the manner in which licensees
39 demonstrate meeting the requirements of this section and whether an
40 individual licensee demonstrates the licensee does or does not have

1 any of the specific business practices, employee benefits, or
2 policies identified in subsection (1) of this section to have a
3 combination of at least one hundred total points and qualify for
4 license renewal.

5 (4) The definitions in this subsection apply throughout this
6 section unless the context clearly requires otherwise.

7 (a) "Actuarial value" means the percentage of total average costs
8 for covered benefits that a health benefits package will cover.

9 (b) "Bonuses" means nondiscretionary payments in addition to
10 hourly, salary, commission, or piece-rate payments paid under an
11 agreement between an employer and an employee.

12 (c) "Commissions" means a sum of money paid to an employee upon
13 completion of a task.

14 (d) "Community engagement program" means an established set of
15 policies or practices regarding how a licensee will engage,
16 communicate, and collaborate with neighboring businesses, residents,
17 local governments, and persons in the community. A program must
18 include a process where persons may communicate public safety or
19 other concerns regarding the operation of the licensee's business to
20 the licensee in a manner enabling the licensee to, when possible,
21 resolve or mitigate any concerns. A program may include, as an
22 additional component, the creation of or participation in an
23 incubator program designed to increase participation in the marijuana
24 industry by persons of color, women, veterans, persons with
25 disabilities, and other persons.

26 (e) "Health benefits plan" means a silver or higher level
27 essential health benefits package, as defined in 42 U.S.C. Sec.
28 18022, or an equivalent plan designed to provide benefits that are
29 actuarially equivalent to seventy percent of the full actuarial value
30 of the benefits provided under the plan, whichever is greater.

31 (5) This section does not apply to a marijuana producer,
32 processor, retailer, or transportation licensee that averaged twenty
33 or fewer full-time equivalent employees in the twelve months prior to
34 the licensee's application for renewal.

35 **Sec. 2.** RCW 69.50.325 and 2018 c 132 s 3 are each amended to
36 read as follows:

37 (1) There shall be a marijuana producer's license regulated by
38 the (~~state liquor and cannabis~~) board and subject to annual
39 renewal. The licensee is authorized to produce: (a) Marijuana for

1 sale at wholesale to marijuana processors and other marijuana
2 producers; (b) immature plants or clones and seeds for sale to
3 cooperatives as described under RCW 69.51A.250; and (c) immature
4 plants or clones and seeds for sale to qualifying patients and
5 designated providers as provided under RCW 69.51A.310. The
6 production, possession, delivery, distribution, and sale of marijuana
7 in accordance with the provisions of this chapter and the rules
8 adopted to implement and enforce it, by a validly licensed marijuana
9 producer, shall not be a criminal or civil offense under Washington
10 state law. Every marijuana producer's license shall be issued in the
11 name of the applicant, shall specify the location at which the
12 marijuana producer intends to operate, which must be within the state
13 of Washington, and the holder thereof shall not allow any other
14 person to use the license. The application fee for a marijuana
15 producer's license shall be two hundred fifty dollars. The annual fee
16 for issuance and renewal of a marijuana producer's license shall be
17 one thousand three hundred eighty-one dollars. A separate license
18 shall be required for each location at which a marijuana producer
19 intends to produce marijuana. Renewal of a marijuana producer's
20 license is subject to section 1 of this act.

21 (2) There shall be a marijuana processor's license to process,
22 package, and label marijuana concentrates, useable marijuana, and
23 marijuana-infused products for sale at wholesale to marijuana
24 processors and marijuana retailers, regulated by the (~~state liquor~~
25 ~~and cannabis~~) board and subject to annual renewal. The processing,
26 packaging, possession, delivery, distribution, and sale of marijuana,
27 useable marijuana, marijuana-infused products, and marijuana
28 concentrates in accordance with the provisions of this chapter and
29 chapter 69.51A RCW and the rules adopted to implement and enforce
30 these chapters, by a validly licensed marijuana processor, shall not
31 be a criminal or civil offense under Washington state law. Every
32 marijuana processor's license shall be issued in the name of the
33 applicant, shall specify the location at which the licensee intends
34 to operate, which must be within the state of Washington, and the
35 holder thereof shall not allow any other person to use the license.
36 The application fee for a marijuana processor's license shall be two
37 hundred fifty dollars. The annual fee for issuance and renewal of a
38 marijuana processor's license shall be one thousand three hundred
39 eighty-one dollars. A separate license shall be required for each
40 location at which a marijuana processor intends to process marijuana.

1 Renewal of a marijuana processor's license is subject to section 1 of
2 this act.

3 (3) (a) There shall be a marijuana retailer's license to sell
4 marijuana concentrates, useable marijuana, and marijuana-infused
5 products at retail in retail outlets, regulated by the (~~state liquor~~
6 ~~and cannabis~~) board and subject to annual renewal. The possession,
7 delivery, distribution, and sale of marijuana concentrates, useable
8 marijuana, and marijuana-infused products in accordance with the
9 provisions of this chapter and the rules adopted to implement and
10 enforce it, by a validly licensed marijuana retailer, shall not be a
11 criminal or civil offense under Washington state law. Every marijuana
12 retailer's license shall be issued in the name of the applicant,
13 shall specify the location of the retail outlet the licensee intends
14 to operate, which must be within the state of Washington, and the
15 holder thereof shall not allow any other person to use the license.
16 The application fee for a marijuana retailer's license shall be two
17 hundred fifty dollars. The annual fee for issuance and renewal of a
18 marijuana retailer's license shall be one thousand three hundred
19 eighty-one dollars. A separate license shall be required for each
20 location at which a marijuana retailer intends to sell marijuana
21 concentrates, useable marijuana, and marijuana-infused products.
22 Renewal of a marijuana retailer license is subject to section 1 of
23 this act.

24 (b) An individual retail licensee and all other persons or
25 entities with a financial or other ownership interest in the business
26 operating under the license are limited, in the aggregate, to holding
27 a collective total of not more than five retail marijuana licenses.

28 (c) (i) A marijuana retailer's license is subject to forfeiture in
29 accordance with rules adopted by the (~~state liquor and cannabis~~)
30 board pursuant to this section.

31 (ii) The (~~state liquor and cannabis~~) board shall adopt rules to
32 establish a license forfeiture process for a licensed marijuana
33 retailer that is not fully operational and open to the public within
34 a specified period from the date of license issuance, as established
35 by the (~~state liquor and cannabis~~) board, subject to the following
36 restrictions:

37 (A) No marijuana retailer's license may be subject to forfeiture
38 within the first nine months of license issuance; and

39 (B) The (~~state liquor and cannabis~~) board must require license
40 forfeiture on or before twenty-four calendar months of license

1 issuance if a marijuana retailer is not fully operational and open to
2 the public, unless the board determines that circumstances out of the
3 licensee's control are preventing the licensee from becoming fully
4 operational and that, in the board's discretion, the circumstances
5 warrant extending the forfeiture period beyond twenty-four calendar
6 months.

7 (iii) The (~~state liquor and cannabis~~) board has discretion in
8 adopting rules under this subsection (3)(c).

9 (iv) This subsection (3)(c) applies to marijuana retailer's
10 licenses issued before and after July 23, 2017. However, no license
11 of a marijuana retailer that otherwise meets the conditions for
12 license forfeiture established pursuant to this subsection (3)(c) may
13 be subject to forfeiture within the first nine calendar months of
14 July 23, 2017.

15 (v) The (~~state liquor and cannabis~~) board may not require
16 license forfeiture if the licensee has been incapable of opening a
17 fully operational retail marijuana business due to actions by the
18 city, town, or county with jurisdiction over the licensee that
19 include any of the following:

20 (A) The adoption of a ban or moratorium that prohibits the
21 opening of a retail marijuana business; or

22 (B) The adoption of an ordinance or regulation related to zoning,
23 business licensing, land use, or other regulatory measure that has
24 the effect of preventing a licensee from receiving an occupancy
25 permit from the jurisdiction or which otherwise prevents a licensed
26 marijuana retailer from becoming operational.

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