
Regulated Substances & Gaming Committee

SB 5363

Brief Description: Concerning cannabis retailer advertising.

Sponsors: Senators MacEwen and Stanford.

Brief Summary of Bill

- Removes the restriction in law on the size of certain licensed cannabis retailer signs.
- Restricts the Liquor and Cannabis Board from regulating the size of certain licensed cannabis retailer signs and billboards and places the regulation under the authority of local jurisdictions.

Hearing Date: 3/21/23

Staff: Matt Sterling (786-7289).

Background:

Cannabis Retailer Signage.

The Liquor and Cannabis Board (LCB) regulates the adult-use, recreational cannabis system in Washington. State statutes and rules adopted by the LCB specify requirements of cannabis signage and advertising.

Except for the use of billboards authorized under state law, licensed cannabis retailers may not display any signage outside of the licensed premises, other than two signs identifying the retail outlet by the business or trade name that state the location and identify the nature of the business. Each sign must be no larger than 1600 square inches, be permanently affixed to a

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building or other structure, and is subject to other requirements and restrictions established in law, including restrictions on depicting cannabis plants or products or images that might be appealing to children.

The LCB rules specify the text and images permissible on outdoor advertising. Outdoor advertising and billboards are prohibited in specified locations, such as arenas, stadiums, and shopping malls. Advertising signs within the premises of a retail cannabis business that are visible to the public from outside the premises are subject to the same requirements applicable to outdoor signs, with certain exceptions.

A city, town, or county may adopt rules of outdoor advertising by licensed cannabis retailers that are more restrictive, and must enforce its own restrictions.

In 2019, the King County Superior Court held in *Plausible Products, LLC d/b/a Hashtag Cannabis v. Washington State Liquor and Cannabis Board*, that certain restrictions on signs for cannabis retailers were unconstitutional.

Summary of Bill:

The restriction on cannabis retailers for signs to not exceed 1600 square inches is removed. The LCB may not regulate the size of retail signs, whether indoor or outdoor, and billboards for licensed cannabis retailers. Licensed cannabis retailers are subject to any size requirements for retail signs and billboards of the city, town, or county in which the retailer is located. The LCB's rule-making authority regarding any other advertising requirements is not affected.

Appropriation: None.

Fiscal Note: Available.

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