
SUBSTITUTE SENATE BILL 5377

State of Washington

68th Legislature

2023 Regular Session

By Senate Labor & Commerce (originally sponsored by Senators Rivers, Stanford, Mullet, and MacEwen)

READ FIRST TIME 02/15/23.

1 AN ACT Relating to cannabis license ownership; amending RCW
2 69.50.325, 69.50.331, and 69.50.331; providing effective dates; and
3 declaring an emergency.

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

5 **Sec. 1.** RCW 69.50.325 and 2022 c 16 s 54 are each amended to
6 read as follows:

7 (1) There shall be a cannabis producer's license regulated by the
8 board and subject to annual renewal. The licensee is authorized to
9 produce: (a) Cannabis for sale at wholesale to cannabis processors
10 and other cannabis producers; (b) immature plants or clones and seeds
11 for sale to cooperatives as described under RCW 69.51A.250; and (c)
12 immature plants or clones and seeds for sale to qualifying patients
13 and designated providers as provided under RCW 69.51A.310. The
14 production, possession, delivery, distribution, and sale of cannabis
15 in accordance with the provisions of this chapter and the rules
16 adopted to implement and enforce it, by a validly licensed cannabis
17 producer, shall not be a criminal or civil offense under Washington
18 state law. Every cannabis producer's license shall be issued in the
19 name of the applicant(~~(r)~~) in accordance with RCW 69.50.331 and shall
20 specify the location at which the cannabis producer intends to
21 operate, which must be within the state of Washington, and the holder

1 thereof shall not allow any other person to use the license. The
2 application fee for a cannabis producer's license shall be two
3 hundred fifty dollars plus any additional application or licensing
4 fee required under RCW 69.50.331(1). The annual fee for issuance and
5 renewal of a cannabis producer's license shall be one thousand three
6 hundred eighty-one dollars. A separate license shall be required for
7 each location at which a cannabis producer intends to produce
8 cannabis.

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

29 (3) (a) There shall be a cannabis retailer's license to sell
30 cannabis concentrates, useable cannabis, and cannabis-infused
31 products at retail in retail outlets, regulated by the board and
32 subject to annual renewal. The possession, delivery, distribution,
33 and sale of cannabis concentrates, useable cannabis, and cannabis-
34 infused products in accordance with the provisions of this chapter
35 and the rules adopted to implement and enforce it, by a validly
36 licensed cannabis retailer, shall not be a criminal or civil offense
37 under Washington state law. Every cannabis retailer's license shall
38 be issued in the name of the applicant(~~r~~) in accordance with RCW
39 69.50.331 and shall specify the location of the retail outlet the
40 licensee intends to operate, which must be within the state of

1 Washington, and the holder thereof shall not allow any other person
2 to use the license. The application fee for a cannabis retailer's
3 license shall be two hundred fifty dollars plus any additional
4 application or licensing fee required under RCW 69.50.331(1). The
5 annual fee for issuance and renewal of a cannabis retailer's license
6 shall be one thousand three hundred eighty-one dollars. A separate
7 license shall be required for each location at which a cannabis
8 retailer intends to sell cannabis concentrates, useable cannabis, and
9 cannabis-infused products.

10 (b) An individual retail licensee and all other persons or
11 entities with a financial or other ownership interest in the business
12 operating under the license are limited, in the aggregate, to holding
13 a collective total of not more than five retail cannabis licenses.

14 (c) (i) A cannabis retailer's license is subject to forfeiture in
15 accordance with rules adopted by the board pursuant to this section.

16 (ii) The board shall adopt rules to establish a license
17 forfeiture process for a licensed cannabis retailer that is not fully
18 operational and open to the public within a specified period from the
19 date of license issuance, as established by the board, subject to the
20 following restrictions:

21 (A) No cannabis retailer's license may be subject to forfeiture
22 within the first nine months of license issuance; and

23 (B) The board must require license forfeiture on or before
24 twenty-four calendar months of license issuance if a cannabis
25 retailer is not fully operational and open to the public, unless the
26 board determines that circumstances out of the licensee's control are
27 preventing the licensee from becoming fully operational and that, in
28 the board's discretion, the circumstances warrant extending the
29 forfeiture period beyond twenty-four calendar months.

30 (iii) The board has discretion in adopting rules under this
31 subsection (3) (c).

32 (iv) ~~((This subsection (3) (c) applies to cannabis retailer's~~
33 ~~licenses issued before and after July 23, 2017. However, no license~~
34 ~~of a cannabis retailer that otherwise meets the conditions for~~
35 ~~license forfeiture established pursuant to this subsection (3) (c) may~~
36 ~~be subject to forfeiture within the first nine calendar months of~~
37 ~~July 23, 2017.~~

38 (+v)) The board may not require license forfeiture if the
39 licensee has been incapable of opening a fully operational retail

1 cannabis business due to actions by the city, town, or county with
2 jurisdiction over the licensee that include any of the following:

3 (A) The adoption of a ban or moratorium that prohibits the
4 opening of a retail cannabis business; or

5 (B) The adoption of an ordinance or regulation related to zoning,
6 business licensing, land use, or other regulatory measure that has
7 the effect of preventing a licensee from receiving an occupancy
8 permit from the jurisdiction or which otherwise prevents a licensed
9 cannabis retailer from becoming operational.

10 (d) The board may issue cannabis retailer licenses pursuant to
11 this chapter and RCW 69.50.335.

12 **Sec. 2.** RCW 69.50.331 and 2022 c 16 s 58 are each amended to
13 read as follows:

14 (1) For the purpose of considering any application for a license
15 to produce, process, research, transport, or deliver cannabis,
16 useable cannabis, cannabis concentrates, or cannabis-infused products
17 subject to the regulations established under RCW 69.50.385, or sell
18 cannabis, or for the renewal of a license to produce, process,
19 research, transport, or deliver cannabis, useable cannabis, cannabis
20 concentrates, or cannabis-infused products subject to the regulations
21 established under RCW 69.50.385, or sell cannabis, the board must
22 conduct a comprehensive, fair, and impartial evaluation of the
23 applications timely received.

24 (a) The board may cause an inspection of the premises to be made,
25 and may inquire into all matters in connection with the construction
26 and operation of the premises. For the purpose of reviewing any
27 application for a license and for considering the denial, suspension,
28 revocation, cancellation, or renewal or denial thereof, of any
29 license, the board may consider any prior criminal arrests or
30 convictions of the applicant, any public safety administrative
31 violation history record with the board, and a criminal history
32 record information check. The board may submit the criminal history
33 record information check to the Washington state patrol and to the
34 identification division of the federal bureau of investigation in
35 order that these agencies may search their records for prior arrests
36 and convictions of the individual or individuals who filled out the
37 forms. The board must require fingerprinting of any applicant whose
38 criminal history record information check is submitted to the federal
39 bureau of investigation. The provisions of RCW 9.95.240 and of

1 chapter 9.96A RCW do not apply to these cases. Subject to the
2 provisions of this section, the board may, in its discretion, grant
3 or deny the renewal or license applied for. Denial may be based on,
4 without limitation, the existence of chronic illegal activity
5 documented in objections submitted pursuant to subsections (7)(c) and
6 (10) of this section. Authority to approve an uncontested or
7 unopposed license may be granted by the board to any staff member the
8 board designates in writing. Conditions for granting this authority
9 must be adopted by rule.

10 (b) No license of any kind may be issued to:

11 (i) A person under the age of twenty-one years;

12 (ii) A person doing business as a sole proprietor who has not
13 lawfully resided in the state for at least six months prior to
14 applying to receive a license;

15 (iii) A partnership, employee cooperative, association, nonprofit
16 corporation, or corporation unless formed under the laws of this
17 state, and unless all of the members thereof are qualified to obtain
18 a license as provided in this section; or

19 (iv) A person whose place of business is conducted by a manager
20 or agent, unless the manager or agent possesses the same
21 qualifications required of the licensee.

22 (2)(a) The board may, in its discretion, subject to RCW
23 43.05.160, 69.50.563, 69.50.562, 69.50.334, and 69.50.342(3) suspend
24 or cancel any license; and all protections of the licensee from
25 criminal or civil sanctions under state law for producing,
26 processing, researching, or selling cannabis, cannabis concentrates,
27 useable cannabis, or cannabis-infused products thereunder must be
28 suspended or terminated, as the case may be.

29 (b) The board must immediately suspend the license of a person
30 who has been certified pursuant to RCW 74.20A.320 by the department
31 of social and health services as a person who is not in compliance
32 with a support order. If the person has continued to meet all other
33 requirements for reinstatement during the suspension, reissuance of
34 the license is automatic upon the board's receipt of a release issued
35 by the department of social and health services stating that the
36 licensee is in compliance with the order.

37 (c)(i) The board must suspend a cannabis producer license issued
38 under RCW 69.50.325 if no activity has been recorded on the license
39 between July 1, 2021, and December 31, 2022.

1 (ii) A cannabis producer license suspended under (c)(i) of this
2 subsection must be reissued to the licensee when:

3 (A) Federal law allows for the interstate transfer of cannabis
4 between authorized cannabis-related businesses; or

5 (B) The United States department of justice issues an opinion or
6 memorandum allowing or tolerating the interstate transfer of cannabis
7 between authorized cannabis-related businesses.

8 (iii) For the purposes of this subsection, "no activity" refers
9 to a cannabis producer license with a unified business identifier
10 number under which no business activity has been reported to the
11 department of revenue.

12 (d) The board may request the appointment of administrative law
13 judges under chapter 34.12 RCW who shall have power to administer
14 oaths, issue subpoenas for the attendance of witnesses and the
15 production of papers, books, accounts, documents, and testimony,
16 examine witnesses, receive testimony in any inquiry, investigation,
17 hearing, or proceeding in any part of the state, and consider
18 mitigating and aggravating circumstances in any case and deviate from
19 any prescribed penalty, under rules the board may adopt.

20 ~~((d))~~ (e) Witnesses must be allowed fees and mileage each way
21 to and from any inquiry, investigation, hearing, or proceeding at the
22 rate authorized by RCW 34.05.446. Fees need not be paid in advance of
23 appearance of witnesses to testify or to produce books, records, or
24 other legal evidence.

25 ~~((e))~~ (f) In case of disobedience of any person to comply with
26 the order of the board or a subpoena issued by the board, or any of
27 its members, or administrative law judges, or on the refusal of a
28 witness to testify to any matter regarding which he or she may be
29 lawfully interrogated, the judge of the superior court of the county
30 in which the person resides, on application of any member of the
31 board or administrative law judge, compels obedience by contempt
32 proceedings, as in the case of disobedience of the requirements of a
33 subpoena issued from said court or a refusal to testify therein.

34 (3) Upon receipt of notice of the suspension or cancellation of a
35 license, the licensee must forthwith deliver up the license to the
36 board. Where the license has been suspended only, the board must
37 return the license to the licensee at the expiration or termination
38 of the period of suspension. The board must notify all other
39 licensees in the county where the subject licensee has its premises
40 of the suspension or cancellation of the license; and no other

1 licensee or employee of another licensee may allow or cause any
2 cannabis, cannabis concentrates, useable cannabis, or cannabis-
3 infused products to be delivered to or for any person at the premises
4 of the subject licensee.

5 (4) Every license issued under this chapter is subject to all
6 conditions and restrictions imposed by this chapter or by rules
7 adopted by the board to implement and enforce this chapter. All
8 conditions and restrictions imposed by the board in the issuance of
9 an individual license must be listed on the face of the individual
10 license along with the trade name, address, and expiration date.

11 (5) Every licensee must post and keep posted its license, or
12 licenses, in a conspicuous place on the premises.

13 (6) No licensee may employ any person under the age of twenty-one
14 years.

15 (7)(a) Before the board issues a new or renewed license to an
16 applicant it must give notice of the application to the chief
17 executive officer of the incorporated city or town, if the
18 application is for a license within an incorporated city or town, or
19 to the county legislative authority, if the application is for a
20 license outside the boundaries of incorporated cities or towns, or to
21 the tribal government if the application is for a license within
22 Indian country, or to the port authority if the application for a
23 license is located on property owned by a port authority.

24 (b) The incorporated city or town through the official or
25 employee selected by it, the county legislative authority or the
26 official or employee selected by it, the tribal government, or port
27 authority has the right to file with the board within twenty days
28 after the date of transmittal of the notice for applications, or at
29 least thirty days prior to the expiration date for renewals, written
30 objections against the applicant or against the premises for which
31 the new or renewed license is asked. The board may extend the time
32 period for submitting written objections upon request from the
33 authority notified by the board.

34 (c) The written objections must include a statement of all facts
35 upon which the objections are based, and in case written objections
36 are filed, the city or town or county legislative authority may
37 request, and the board may in its discretion hold, a hearing subject
38 to the applicable provisions of Title 34 RCW. If the board makes an
39 initial decision to deny a license or renewal based on the written
40 objections of an incorporated city or town or county legislative

1 authority, the applicant may request a hearing subject to the
2 applicable provisions of Title 34 RCW. If a hearing is held at the
3 request of the applicant, board representatives must present and
4 defend the board's initial decision to deny a license or renewal.

5 (d) Upon the granting of a license under this title the board
6 must send written notification to the chief executive officer of the
7 incorporated city or town in which the license is granted, or to the
8 county legislative authority if the license is granted outside the
9 boundaries of incorporated cities or towns.

10 (8) (a) Except as provided in (b) through (e) of this subsection,
11 the board may not issue a license for any premises within one
12 thousand feet of the perimeter of the grounds of any elementary or
13 secondary school, playground, recreation center or facility, child
14 care center, public park, public transit center, or library, or any
15 game arcade admission to which is not restricted to persons aged
16 twenty-one years or older.

17 (b) A city, county, or town may permit the licensing of premises
18 within one thousand feet but not less than one hundred feet of the
19 facilities described in (a) of this subsection, except elementary
20 schools, secondary schools, and playgrounds, by enacting an ordinance
21 authorizing such distance reduction, provided that such distance
22 reduction will not negatively impact the jurisdiction's civil
23 regulatory enforcement, criminal law enforcement interests, public
24 safety, or public health.

25 (c) A city, county, or town may permit the licensing of research
26 premises allowed under RCW 69.50.372 within one thousand feet but not
27 less than one hundred feet of the facilities described in (a) of this
28 subsection by enacting an ordinance authorizing such distance
29 reduction, provided that the ordinance will not negatively impact the
30 jurisdiction's civil regulatory enforcement, criminal law
31 enforcement, public safety, or public health.

32 (d) The board may license premises located in compliance with the
33 distance requirements set in an ordinance adopted under (b) or (c) of
34 this subsection. Before issuing or renewing a research license for
35 premises within one thousand feet but not less than one hundred feet
36 of an elementary school, secondary school, or playground in
37 compliance with an ordinance passed pursuant to (c) of this
38 subsection, the board must ensure that the facility:

39 (i) Meets a security standard exceeding that which applies to
40 cannabis producer, processor, or retailer licensees;

1 (ii) Is inaccessible to the public and no part of the operation
2 of the facility is in view of the general public; and

3 (iii) Bears no advertising or signage indicating that it is a
4 cannabis research facility.

5 (e) The board must issue a certificate of compliance if the
6 premises met the requirements under (a), (b), (c), or (d) of this
7 subsection on the date of the application. The certificate allows the
8 licensee to operate the business at the proposed location
9 notwithstanding a later occurring, otherwise disqualifying factor.

10 (f) The board may not issue a license for any premises within
11 Indian country, as defined in 18 U.S.C. Sec. 1151, including any fee
12 patent lands within the exterior boundaries of a reservation, without
13 the consent of the federally recognized tribe associated with the
14 reservation or Indian country.

15 (9) A city, town, or county may adopt an ordinance prohibiting a
16 cannabis producer or cannabis processor from operating or locating a
17 business within areas zoned primarily for residential use or rural
18 use with a minimum lot size of five acres or smaller.

19 (10) In determining whether to grant or deny a license or renewal
20 of any license, the board must give substantial weight to objections
21 from an incorporated city or town or county legislative authority
22 based upon chronic illegal activity associated with the applicant's
23 operations of the premises proposed to be licensed or the applicant's
24 operation of any other licensed premises, or the conduct of the
25 applicant's patrons inside or outside the licensed premises. "Chronic
26 illegal activity" means (a) a pervasive pattern of activity that
27 threatens the public health, safety, and welfare of the city, town,
28 or county including, but not limited to, open container violations,
29 assaults, disturbances, disorderly conduct, or other criminal law
30 violations, or as documented in crime statistics, police reports,
31 emergency medical response data, calls for service, field data, or
32 similar records of a law enforcement agency for the city, town,
33 county, or any other municipal corporation or any state agency; or
34 (b) an unreasonably high number of citations for violations of RCW
35 46.61.502 associated with the applicant's or licensee's operation of
36 any licensed premises as indicated by the reported statements given
37 to law enforcement upon arrest.

38 **Sec. 3.** RCW 69.50.331 and 2022 c 16 s 58 are each amended to
39 read as follows:

1 (1) For the purpose of considering any application for a license
2 to produce, process, research, transport, or deliver cannabis,
3 useable cannabis, cannabis concentrates, or cannabis-infused products
4 subject to the regulations established under RCW 69.50.385, or sell
5 cannabis, or for the renewal of a license to produce, process,
6 research, transport, or deliver cannabis, useable cannabis, cannabis
7 concentrates, or cannabis-infused products subject to the regulations
8 established under RCW 69.50.385, or sell cannabis, the board must
9 conduct a comprehensive, fair, and impartial evaluation of the
10 applications timely received.

11 (a) The board may cause an inspection of the premises to be made,
12 and may inquire into all matters in connection with the construction
13 and operation of the premises. For the purpose of reviewing any
14 application for a license and for considering the denial, suspension,
15 revocation, cancellation, or renewal or denial thereof, of any
16 license, the board may consider any prior criminal arrests or
17 convictions of the applicant, any public safety administrative
18 violation history record with the board, and a criminal history
19 record information check. The board may submit the criminal history
20 record information check to the Washington state patrol and to the
21 identification division of the federal bureau of investigation in
22 order that these agencies may search their records for prior arrests
23 and convictions of the individual or individuals who filled out the
24 forms. The board must require fingerprinting of any applicant whose
25 criminal history record information check is submitted to the federal
26 bureau of investigation. The provisions of RCW 9.95.240 and of
27 chapter 9.96A RCW do not apply to these cases. Subject to the
28 provisions of this section, the board may, in its discretion, grant
29 or deny the renewal or license applied for. Denial may be based on,
30 without limitation, the existence of chronic illegal activity
31 documented in objections submitted pursuant to subsections (7)(c) and
32 (10) of this section. Authority to approve an uncontested or
33 unopposed license may be granted by the board to any staff member the
34 board designates in writing. Conditions for granting this authority
35 must be adopted by rule.

36 (b) No license of any kind may be issued to:

37 (i) A person under the age of twenty-one years;

38 (ii) ~~((A person doing business as a sole proprietor who has not~~
39 ~~lawfully resided in the state for at least six months prior to~~
40 ~~applying to receive a license;~~

1 ~~(iii) A partnership, employee cooperative, association, nonprofit~~
2 ~~corporation, or corporation)~~ An entity unless formed under the laws
3 of this state (, and unless all of the members thereof are qualified
4 to obtain a license as provided in this section)); or

5 ~~((iv))~~ (iii) A person whose place of business is conducted by a
6 manager or agent, unless the manager or agent possesses the same
7 qualifications required of the licensee.

8 (c)(i) A person is not required to be a resident of this state
9 and an entity with a certificate of registration is not required to
10 be formed under the laws of this state to qualify for a cannabis
11 license under this chapter, subject to the following requirements:

12 (A) A natural person holding an ownership interest of more than
13 10 percent in the entity must qualify for and be named on the
14 license;

15 (B) Except as provided in (c)(i)(C) of this subsection, a natural
16 person holding an ownership interest of 10 percent or less in the
17 entity is not required to qualify for or be named on the license;

18 (C) If no natural person holds an ownership interest of more than
19 10 percent in the entity, the natural person with the largest
20 ownership interest must qualify for and be named on the license; and

21 (D) Directors of the entity must possess the same qualifications
22 required of the licensee.

23 (ii) The identification of a natural person holding an ownership
24 interest of 10 percent or less but more than one percent in the
25 entity, who is not otherwise required to qualify for and be named on
26 the license as provided in (c)(i) of this subsection, must be
27 disclosed to the board.

28 (d) The board may impose additional licensing fees to recover
29 additional costs incurred in investigating a nonresident required to
30 be investigated under this section. If, after reasonable efforts, the
31 board is unable to investigate a nonresident required to be
32 investigated under this section, in accordance with the investigatory
33 standards applicable to the investigation of a state resident, the
34 board must deny a license or license renewal to an entity.

35 (2)(a) The board may, in its discretion, subject to RCW
36 43.05.160, 69.50.563, 69.50.562, 69.50.334, and 69.50.342(3) suspend
37 or cancel any license; and all protections of the licensee from
38 criminal or civil sanctions under state law for producing,
39 processing, researching, or selling cannabis, cannabis concentrates,

1 useable cannabis, or cannabis-infused products thereunder must be
2 suspended or terminated, as the case may be.

3 (b) The board must immediately suspend the license of a person
4 who has been certified pursuant to RCW 74.20A.320 by the department
5 of social and health services as a person who is not in compliance
6 with a support order. If the person has continued to meet all other
7 requirements for reinstatement during the suspension, reissuance of
8 the license is automatic upon the board's receipt of a release issued
9 by the department of social and health services stating that the
10 licensee is in compliance with the order.

11 (c)(i) The board must suspend a cannabis producer license issued
12 under RCW 69.50.325 if no activity has been recorded on the license
13 between July 1, 2021, and December 31, 2022.

14 (ii) A cannabis producer license suspended under (c)(i) of this
15 subsection must be reissued to the licensee when:

16 (A) Federal law allows for the interstate transfer of cannabis
17 between authorized cannabis-related businesses; or

18 (B) The United States department of justice issues an opinion or
19 memorandum allowing or tolerating the interstate transfer of cannabis
20 between authorized cannabis-related businesses.

21 (iii) For the purposes of this subsection, "no activity" refers
22 to a cannabis producer license with a unified business identifier
23 number under which no business activity has been reported to the
24 department of revenue.

25 (d) The board may request the appointment of administrative law
26 judges under chapter 34.12 RCW who shall have power to administer
27 oaths, issue subpoenas for the attendance of witnesses and the
28 production of papers, books, accounts, documents, and testimony,
29 examine witnesses, receive testimony in any inquiry, investigation,
30 hearing, or proceeding in any part of the state, and consider
31 mitigating and aggravating circumstances in any case and deviate from
32 any prescribed penalty, under rules the board may adopt.

33 ~~((d))~~ (e) Witnesses must be allowed fees and mileage each way
34 to and from any inquiry, investigation, hearing, or proceeding at the
35 rate authorized by RCW 34.05.446. Fees need not be paid in advance of
36 appearance of witnesses to testify or to produce books, records, or
37 other legal evidence.

38 ~~((e))~~ (f) In case of disobedience of any person to comply with
39 the order of the board or a subpoena issued by the board, or any of
40 its members, or administrative law judges, or on the refusal of a

1 witness to testify to any matter regarding which he or she may be
2 lawfully interrogated, the judge of the superior court of the county
3 in which the person resides, on application of any member of the
4 board or administrative law judge, compels obedience by contempt
5 proceedings, as in the case of disobedience of the requirements of a
6 subpoena issued from said court or a refusal to testify therein.

7 (3) Upon receipt of notice of the suspension or cancellation of a
8 license, the licensee must forthwith deliver up the license to the
9 board. Where the license has been suspended only, the board must
10 return the license to the licensee at the expiration or termination
11 of the period of suspension. The board must notify all other
12 licensees in the county where the subject licensee has its premises
13 of the suspension or cancellation of the license; and no other
14 licensee or employee of another licensee may allow or cause any
15 cannabis, cannabis concentrates, useable cannabis, or cannabis-
16 infused products to be delivered to or for any person at the premises
17 of the subject licensee.

18 (4) Every license issued under this chapter is subject to all
19 conditions and restrictions imposed by this chapter or by rules
20 adopted by the board to implement and enforce this chapter. All
21 conditions and restrictions imposed by the board in the issuance of
22 an individual license must be listed on the face of the individual
23 license along with the trade name, address, and expiration date.

24 (5) Every licensee must post and keep posted its license, or
25 licenses, in a conspicuous place on the premises.

26 (6) No licensee may employ any person under the age of twenty-one
27 years.

28 (7) (a) Before the board issues a new or renewed license to an
29 applicant it must give notice of the application to the chief
30 executive officer of the incorporated city or town, if the
31 application is for a license within an incorporated city or town, or
32 to the county legislative authority, if the application is for a
33 license outside the boundaries of incorporated cities or towns, or to
34 the tribal government if the application is for a license within
35 Indian country, or to the port authority if the application for a
36 license is located on property owned by a port authority.

37 (b) The incorporated city or town through the official or
38 employee selected by it, the county legislative authority or the
39 official or employee selected by it, the tribal government, or port
40 authority has the right to file with the board within twenty days

1 after the date of transmittal of the notice for applications, or at
2 least thirty days prior to the expiration date for renewals, written
3 objections against the applicant or against the premises for which
4 the new or renewed license is asked. The board may extend the time
5 period for submitting written objections upon request from the
6 authority notified by the board.

7 (c) The written objections must include a statement of all facts
8 upon which the objections are based, and in case written objections
9 are filed, the city or town or county legislative authority may
10 request, and the board may in its discretion hold, a hearing subject
11 to the applicable provisions of Title 34 RCW. If the board makes an
12 initial decision to deny a license or renewal based on the written
13 objections of an incorporated city or town or county legislative
14 authority, the applicant may request a hearing subject to the
15 applicable provisions of Title 34 RCW. If a hearing is held at the
16 request of the applicant, board representatives must present and
17 defend the board's initial decision to deny a license or renewal.

18 (d) Upon the granting of a license under this title the board
19 must send written notification to the chief executive officer of the
20 incorporated city or town in which the license is granted, or to the
21 county legislative authority if the license is granted outside the
22 boundaries of incorporated cities or towns.

23 (8) (a) Except as provided in (b) through (e) of this subsection,
24 the board may not issue a license for any premises within one
25 thousand feet of the perimeter of the grounds of any elementary or
26 secondary school, playground, recreation center or facility, child
27 care center, public park, public transit center, or library, or any
28 game arcade admission to which is not restricted to persons aged
29 twenty-one years or older.

30 (b) A city, county, or town may permit the licensing of premises
31 within one thousand feet but not less than one hundred feet of the
32 facilities described in (a) of this subsection, except elementary
33 schools, secondary schools, and playgrounds, by enacting an ordinance
34 authorizing such distance reduction, provided that such distance
35 reduction will not negatively impact the jurisdiction's civil
36 regulatory enforcement, criminal law enforcement interests, public
37 safety, or public health.

38 (c) A city, county, or town may permit the licensing of research
39 premises allowed under RCW 69.50.372 within one thousand feet but not
40 less than one hundred feet of the facilities described in (a) of this

1 subsection by enacting an ordinance authorizing such distance
2 reduction, provided that the ordinance will not negatively impact the
3 jurisdiction's civil regulatory enforcement, criminal law
4 enforcement, public safety, or public health.

5 (d) The board may license premises located in compliance with the
6 distance requirements set in an ordinance adopted under (b) or (c) of
7 this subsection. Before issuing or renewing a research license for
8 premises within one thousand feet but not less than one hundred feet
9 of an elementary school, secondary school, or playground in
10 compliance with an ordinance passed pursuant to (c) of this
11 subsection, the board must ensure that the facility:

12 (i) Meets a security standard exceeding that which applies to
13 cannabis producer, processor, or retailer licensees;

14 (ii) Is inaccessible to the public and no part of the operation
15 of the facility is in view of the general public; and

16 (iii) Bears no advertising or signage indicating that it is a
17 cannabis research facility.

18 (e) The board must issue a certificate of compliance if the
19 premises met the requirements under (a), (b), (c), or (d) of this
20 subsection on the date of the application. The certificate allows the
21 licensee to operate the business at the proposed location
22 notwithstanding a later occurring, otherwise disqualifying factor.

23 (f) The board may not issue a license for any premises within
24 Indian country, as defined in 18 U.S.C. Sec. 1151, including any fee
25 patent lands within the exterior boundaries of a reservation, without
26 the consent of the federally recognized tribe associated with the
27 reservation or Indian country.

28 (9) A city, town, or county may adopt an ordinance prohibiting a
29 cannabis producer or cannabis processor from operating or locating a
30 business within areas zoned primarily for residential use or rural
31 use with a minimum lot size of five acres or smaller.

32 (10) In determining whether to grant or deny a license or renewal
33 of any license, the board must give substantial weight to objections
34 from an incorporated city or town or county legislative authority
35 based upon chronic illegal activity associated with the applicant's
36 operations of the premises proposed to be licensed or the applicant's
37 operation of any other licensed premises, or the conduct of the
38 applicant's patrons inside or outside the licensed premises.

39 (11) The definitions in this subsection apply throughout this
40 section unless the context clearly requires otherwise.

1 (a) "Chronic illegal activity" means ((-a)-a): (i) A pervasive
2 pattern of activity that threatens the public health, safety, and
3 welfare of the city, town, or county including, but not limited to,
4 open container violations, assaults, disturbances, disorderly
5 conduct, or other criminal law violations, or as documented in crime
6 statistics, police reports, emergency medical response data, calls
7 for service, field data, or similar records of a law enforcement
8 agency for the city, town, county, or any other municipal corporation
9 or any state agency; or ~~((b-))~~ (ii) an unreasonably high number of
10 citations for violations of RCW 46.61.502 associated with the
11 applicant's or licensee's operation of any licensed premises as
12 indicated by the reported statements given to law enforcement upon
13 arrest.

14 (b) "Entity" has the meaning provided in RCW 23.95.105.

15 (c) "Interest" has the meaning provided in RCW 23.95.105.

16 NEW SECTION. Sec. 4. Sections 1 and 3 of this act take effect
17 January 1, 2024.

18 NEW SECTION. Sec. 5. Section 2 of this act is necessary for the
19 immediate preservation of the public peace, health, or safety, or
20 support of the state government and its existing public institutions,
21 and takes effect July 1, 2023.

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