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**SENATE BILL 5377**

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**State of Washington**

**68th Legislature**

**2023 Regular Session**

**By** Senators Rivers, Stanford, Mullet, and MacEwen

Read first time 01/13/23. Referred to Committee on Labor & Commerce.

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(~~τ~~) 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's license  
38 issued under RCW 69.50.325 if no activity has been recorded on the  
39 license after July 1, 2021.

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

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

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

30 (3) Upon receipt of notice of the suspension or cancellation of a  
31 license, the licensee must forthwith deliver up the license to the  
32 board. Where the license has been suspended only, the board must  
33 return the license to the licensee at the expiration or termination  
34 of the period of suspension. The board must notify all other  
35 licensees in the county where the subject licensee has its premises  
36 of the suspension or cancellation of the license; and no other  
37 licensee or employee of another licensee may allow or cause any  
38 cannabis, cannabis concentrates, useable cannabis, or cannabis-  
39 infused products to be delivered to or for any person at the premises  
40 of the subject licensee.

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

36 (1) For the purpose of considering any application for a license  
37 to produce, process, research, transport, or deliver cannabis,  
38 useable cannabis, cannabis concentrates, or cannabis-infused products  
39 subject to the regulations established under RCW 69.50.385, or sell

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

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

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

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

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

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

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

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

8        (A) A natural person holding an ownership interest of more than  
9 10 percent in the entity must qualify for and be named on the  
10 license;

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

14        (C) If no natural person holds an ownership interest of more than  
15 10 percent in the entity, the natural person with the largest  
16 ownership interest must qualify for and be named on the license; and

17        (D) Directors of the entity must possess the same qualifications  
18 required of the licensee.

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

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

31        (2)(a) The board may, in its discretion, subject to RCW  
32 43.05.160, 69.50.563, 69.50.562, 69.50.334, and 69.50.342(3) suspend  
33 or cancel any license; and all protections of the licensee from  
34 criminal or civil sanctions under state law for producing,  
35 processing, researching, or selling cannabis, cannabis concentrates,  
36 useable cannabis, or cannabis-infused products thereunder must be  
37 suspended or terminated, as the case may be.

38        (b) The board must immediately suspend the license of a person  
39 who has been certified pursuant to RCW 74.20A.320 by the department  
40 of social and health services as a person who is not in compliance

1 with a support order. If the person has continued to meet all other  
2 requirements for reinstatement during the suspension, reissuance of  
3 the license is automatic upon the board's receipt of a release issued  
4 by the department of social and health services stating that the  
5 licensee is in compliance with the order.

6 (c)(i) The board must suspend a cannabis producer's license  
7 issued under RCW 69.50.325 if no activity has been recorded on the  
8 license after July 1, 2021.

9 (ii) A cannabis producer's license suspended under (c)(i) of this  
10 subsection must be reissued to the licensee when:

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

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

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

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

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

38 (3) Upon receipt of notice of the suspension or cancellation of a  
39 license, the licensee must forthwith deliver up the license to the  
40 board. Where the license has been suspended only, the board must

1 return the license to the licensee at the expiration or termination  
2 of the period of suspension. The board must notify all other  
3 licensees in the county where the subject licensee has its premises  
4 of the suspension or cancellation of the license; and no other  
5 licensee or employee of another licensee may allow or cause any  
6 cannabis, cannabis concentrates, useable cannabis, or cannabis-  
7 infused products to be delivered to or for any person at the premises  
8 of the subject licensee.

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

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

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

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

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

38 (c) The written objections must include a statement of all facts  
39 upon which the objections are based, and in case written objections  
40 are filed, the city or town or county legislative authority may

1 request, and the board may in its discretion hold, a hearing subject  
2 to the applicable provisions of Title 34 RCW. If the board makes an  
3 initial decision to deny a license or renewal based on the written  
4 objections of an incorporated city or town or county legislative  
5 authority, the applicant may request a hearing subject to the  
6 applicable provisions of Title 34 RCW. If a hearing is held at the  
7 request of the applicant, board representatives must present and  
8 defend the board's initial decision to deny a license or renewal.

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

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

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

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

36 (d) The board may license premises located in compliance with the  
37 distance requirements set in an ordinance adopted under (b) or (c) of  
38 this subsection. Before issuing or renewing a research license for  
39 premises within one thousand feet but not less than one hundred feet  
40 of an elementary school, secondary school, or playground in

1 compliance with an ordinance passed pursuant to (c) of this  
2 subsection, the board must ensure that the facility:

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

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

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

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

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

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

23 (10) In determining whether to grant or deny a license or renewal  
24 of any license, the board must give substantial weight to objections  
25 from an incorporated city or town or county legislative authority  
26 based upon chronic illegal activity associated with the applicant's  
27 operations of the premises proposed to be licensed or the applicant's  
28 operation of any other licensed premises, or the conduct of the  
29 applicant's patrons inside or outside the licensed premises.

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

32 (a) "Chronic illegal activity" means ((-a)-a): (i) A pervasive  
33 pattern of activity that threatens the public health, safety, and  
34 welfare of the city, town, or county including, but not limited to,  
35 open container violations, assaults, disturbances, disorderly  
36 conduct, or other criminal law violations, or as documented in crime  
37 statistics, police reports, emergency medical response data, calls  
38 for service, field data, or similar records of a law enforcement  
39 agency for the city, town, county, or any other municipal corporation  
40 or any state agency; or ((-b-)) (ii) an unreasonably high number of

1 citations for violations of RCW 46.61.502 associated with the  
2 applicant's or licensee's operation of any licensed premises as  
3 indicated by the reported statements given to law enforcement upon  
4 arrest.

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

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

7 NEW SECTION. **Sec. 4.** Sections 1 and 3 of this act take effect  
8 January 1, 2024.

9 NEW SECTION. **Sec. 5.** Section 2 of this act is necessary for the  
10 immediate preservation of the public peace, health, or safety, or  
11 support of the state government and its existing public institutions,  
12 and takes effect July 1, 2023.

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