

**HB 2022** - H COMM AMD

By Committee on Commerce & Gaming

1 On page 1, line 9, after "(1)" strike "(a) Beginning" and insert  
2 "~~((Beginning))~~ (a) Subject to (f) of this subsection, beginning"

3 On page 1, line 17, after "(b)" strike "Beginning" and insert  
4 "Subject to (f) of this subsection, beginning"

5 On page 2, line 1, after "(c)" strike "Beginning" and insert  
6 "Subject to (f) of this subsection, beginning"

7 On page 2, line 12, after "mobile and" insert ", subject to (f)  
8 of this subsection,"

9 On page 2, line 19, after "RCW 69.50.331" strike "(8)" and insert  
10 "(9)"

11 On page 2, after line 23, insert the following:  
12 "(f) In accordance with RCW 69.50.331, the board shall not issue  
13 a license under this section if, within 20 days of transmitting a  
14 notice under RCW 69.50.331(7), the board receives a written objection  
15 from the city, town, or county that the board notifies under RCW  
16 69.50.331(7), stating that local zoning or land use ordinances do not  
17 permit the use of the property for the proposed cannabis business  
18 activity."

19 Beginning on page 5, line 26, strike all of sections 3 and 4 and  
20 insert the following:

21 "**Sec. 3.** RCW 69.50.331 and 2020 c 154 s 1 are each amended to  
22 read as follows:

23 (1) For the purpose of considering any application for a license  
24 to produce, process, research, transport, or deliver marijuana,  
25 useable marijuana, marijuana concentrates, or marijuana-infused  
26 products subject to the regulations established under RCW 69.50.385,  
27 or sell marijuana, or for the renewal of a license to produce,

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

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

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

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

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

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

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

4 (2)(a) The board may, in its discretion, subject to RCW  
5 43.05.160, 69.50.563, 69.50.562, 69.50.334, and 69.50.342(3) suspend  
6 or cancel any license; and all protections of the licensee from  
7 criminal or civil sanctions under state law for producing,  
8 processing, researching, or selling marijuana, marijuana  
9 concentrates, useable marijuana, or marijuana-infused products  
10 thereunder must be suspended or terminated, as the case may be.

11 (b) The board must immediately suspend the license of a person  
12 who has been certified pursuant to RCW 74.20A.320 by the department  
13 of social and health services as a person who is not in compliance  
14 with a support order. If the person has continued to meet all other  
15 requirements for reinstatement during the suspension, reissuance of  
16 the license is automatic upon the board's receipt of a release issued  
17 by the department of social and health services stating that the  
18 licensee is in compliance with the order.

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

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

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

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

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

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

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

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

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

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

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

17 (8) The board shall not issue a license under this chapter if,  
18 within 20 days of transmitting a notice under subsection (7) of this  
19 section, the board receives a written objection from the city, town,  
20 or county that the board notifies under subsection (7) of this  
21 section, stating that local zoning or land use ordinances do not  
22 permit the use of the property for the proposed cannabis business  
23 activity.

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

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

39 (c) A city, county, or town may permit the licensing of research  
40 premises allowed under RCW 69.50.372 within one thousand feet but not

1 less than one hundred feet of the facilities described in (a) of this  
2 subsection by enacting an ordinance authorizing such distance  
3 reduction, provided that the ordinance will not negatively impact the  
4 jurisdiction's civil regulatory enforcement, criminal law  
5 enforcement, public safety, or public health.

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

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

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

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

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

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

29 ~~((9))~~ (10) A city, town, or county may adopt an ordinance  
30 prohibiting a marijuana producer or marijuana processor from  
31 operating or locating a business within areas zoned primarily for  
32 residential use or rural use with a minimum lot size of five acres or  
33 smaller.

34 ~~((10))~~ (11) In determining whether to grant or deny a license  
35 or renewal of any license, the board must give substantial weight to  
36 objections from an incorporated city or town or county legislative  
37 authority based upon chronic illegal activity associated with the  
38 applicant's operations of the premises proposed to be licensed or the  
39 applicant's operation of any other licensed premises, or the conduct  
40 of the applicant's patrons inside or outside the licensed premises.

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

13 Renumber the remaining sections consecutively, correct any  
14 internal references accordingly, and correct the title.

15 On page 29, beginning on line 27, strike all of sections 10 and  
16 11

17 Renumber the remaining sections consecutively, correct any  
18 internal references accordingly, and correct the title.

EFFECT: Prohibits the Liquor and Cannabis Board (LCB) from  
issuing a cannabis license if, within 20 days of transmitting a  
notice of the license application to the applicable city, town, or  
county, the LCB receives a written objection from the city, town, or  
county stating that local zoning or land use ordinances do not permit  
the use of the property for the proposed cannabis business activity.

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