

PSHB 2022 (H-2527.1/22) - 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 (e) of this subsection, beginning"

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

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

7 On page 2, line 11, after "(d)" strike "All" and insert "Subject
8 to (e) of this subsection, all"

9 On page 2, after line 18, insert the following:

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

17 On page 5, after line 17, insert the following:

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

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

1 marijuana, the board must conduct a comprehensive, fair, and
2 impartial evaluation of the applications timely received.

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

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

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

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

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

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

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

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

16 (c) 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) Witnesses must be allowed fees and mileage each way to and
25 from any inquiry, investigation, hearing, or proceeding at the rate
26 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) In case of disobedience of any person to comply with the
30 order of the board or a subpoena issued by the board, or any of its
31 members, or administrative law judges, or on the refusal of a witness
32 to testify to any matter regarding which he or she may be lawfully
33 interrogated, the judge of the superior court of the county in which
34 the person resides, on application of any member of the board or
35 administrative law judge, compels obedience by contempt proceedings,
36 as in the case of disobedience of the requirements of a subpoena
37 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 marijuana, marijuana concentrates, useable marijuana, or marijuana-
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) The board shall not issue a license under this chapter if,
15 within 20 days of transmitting a notice under subsection (7) of this
16 section, the board receives a written objection from the city, town,
17 or county that the board notifies under subsection (7) of this
18 section, stating that local zoning or land use ordinances do not
19 permit the use of the property for the proposed cannabis business
20 activity.

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

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

36 (c) A city, county, or town may permit the licensing of research
37 premises allowed under RCW 69.50.372 within one thousand feet but not
38 less than one hundred feet of the facilities described in (a) of this
39 subsection by enacting an ordinance authorizing such distance
40 reduction, provided that the ordinance will not negatively impact the

1 jurisdiction's civil regulatory enforcement, criminal law
2 enforcement, public safety, or public health.

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

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

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

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

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

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

26 ~~((9))~~ (10) A city, town, or county may adopt an ordinance
27 prohibiting a marijuana producer or marijuana processor from
28 operating or locating a business within areas zoned primarily for
29 residential use or rural use with a minimum lot size of five acres or
30 smaller.

31 ~~((10))~~ (11) In determining whether to grant or deny a license
32 or renewal of any license, the board must give substantial weight to
33 objections from an incorporated city or town or county legislative
34 authority based upon chronic illegal activity associated with the
35 applicant's operations of the premises proposed to be licensed or the
36 applicant's operation of any other licensed premises, or the conduct
37 of the applicant's patrons inside or outside the licensed premises.
38 "Chronic illegal activity" means (a) a pervasive pattern of activity
39 that threatens the public health, safety, and welfare of the city,
40 town, or county including, but not limited to, open container

1 violations, assaults, disturbances, disorderly conduct, or other
2 criminal law violations, or as documented in crime statistics, police
3 reports, emergency medical response data, calls for service, field
4 data, or similar records of a law enforcement agency for the city,
5 town, county, or any other municipal corporation or any state agency;
6 or (b) an unreasonably high number of citations for violations of RCW
7 46.61.502 associated with the applicant's or licensee's operation of
8 any licensed premises as indicated by the reported statements given
9 to law enforcement upon arrest."

10 Renumber the remaining sections consecutively, correct any
11 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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