

EFFECT:

- Strikes entirety of bill and instead prohibits a retail licensee and all other persons or entities with a financial or other ownership interest from entering into any agreement under specified law that confers a financial interest across more than five retail cannabis licenses.
- Provides that financial interest includes negotiating or coordinating purchases of cannabis products, any operational control over the business, sharing profits or revenue, sharing marketing and advertising costs, or sharing employment and hiring decisions.
- Adds an effective date of January 1, 2026.

1 AN ACT Relating to supporting a sustainable cannabis industry;
2 amending RCW 69.50.325; and providing an effective date.

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

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

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

1 producer's license shall be two hundred fifty dollars. The annual fee
2 for issuance and renewal of a cannabis producer's license shall be
3 one thousand three hundred eighty-one dollars. A separate license
4 shall be required for each location at which a cannabis producer
5 intends to produce cannabis.

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

26 (3)(a) There shall be a cannabis retailer's license to sell
27 cannabis concentrates, useable cannabis, and cannabis-infused
28 products at retail in retail outlets, regulated by the board and
29 subject to annual renewal. The possession, delivery, distribution,
30 and sale of cannabis concentrates, useable cannabis, and cannabis-
31 infused products in accordance with the provisions of this chapter
32 and the rules adopted to implement and enforce it, by a validly
33 licensed cannabis retailer, shall not be a criminal or civil offense
34 under Washington state law. Every cannabis retailer's license shall
35 be issued in the name of the applicant, shall specify the location of
36 the retail outlet the licensee intends to operate, which must be
37 within the state of Washington, and the holder thereof shall not
38 allow any other person to use the license. The application fee for a
39 cannabis retailer's license shall be two hundred fifty dollars. The
40 annual fee for issuance and renewal of a cannabis retailer's license

1 shall be one thousand three hundred eighty-one dollars. A separate
2 license shall be required for each location at which a cannabis
3 retailer intends to sell cannabis concentrates, useable cannabis, and
4 cannabis-infused products.

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

9 (ii) A retail licensee and all other persons or entities with a
10 financial or other ownership interest may not enter into any
11 agreement as referenced in RCW 69.50.395 that confers a financial
12 interest across more than five retail cannabis licenses. For the
13 purposes of this subsection, "financial interest" includes, but is
14 not limited to, negotiating or coordinating purchases of cannabis
15 products, any operational control over the business, sharing profits
16 or revenue, sharing marketing and advertising costs, or sharing
17 employment and hiring decisions.

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

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

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

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

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

36 (iv) This subsection (3) (c) applies to cannabis retailer's
37 licenses issued before and after July 23, 2017. However, no license
38 of a cannabis retailer that otherwise meets the conditions for
39 license forfeiture established pursuant to this subsection (3) (c) may

1 be subject to forfeiture within the first nine calendar months of
2 July 23, 2017.

3 (v) The board may not require license forfeiture if the licensee
4 has been incapable of opening a fully operational retail cannabis
5 business due to actions by the city, town, or county with
6 jurisdiction over the licensee that include any of the following:

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

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

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

16 NEW SECTION. **Sec. 2.** This act takes effect January 1, 2026.

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