

EFFECT:

- Strikes the provisions related to authorizing the Liquor and Cannabis Board to issue a cannabis license under the social equity program for any premises within 1000 feet but not less than 500 feet of specified locations.
- Prohibits a city, town, or county from requiring retail cannabis premises when licensed under the social equity program to locate more than 250 feet from the premises of any other cannabis retail license.

1 AN ACT Relating to supporting social equity in the cannabis
2 industry by establishing distance requirements for certain licensees;
3 and amending RCW 69.50.331.

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

5 **Sec. 1.** RCW 69.50.331 and 2023 c 220 s 2 are each amended to
6 read as follows:

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

17 (a) The board may cause an inspection of the premises to be made,
18 and may inquire into all matters in connection with the construction
19 and operation of the premises. For the purpose of reviewing any
20 application for a license and for considering the denial, suspension,
21 revocation, cancellation, or renewal or denial thereof, of any

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

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

22 (i) A person under the age of 21 years;

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

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

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

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

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

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

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

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

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

1 infused products to be delivered to or for any person at the premises
2 of the subject licensee.

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

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

11 (6) No licensee may employ any person under the age of 21 years.

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

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

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

1 request of the applicant, board representatives must present and
2 defend the board's initial decision to deny a license or renewal.

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

8 (8)(a) Except as provided in (b) through (e) of this subsection,
9 the board may not issue a license for any premises within 1,000 feet
10 of the perimeter of the grounds of any elementary or secondary
11 school, playground, recreation center or facility, child care center,
12 public park, public transit center, or library, or any game arcade
13 admission to which is not restricted to persons aged 21 years or
14 older.

15 (b) A city, county, or town may permit the licensing of premises
16 within 1,000 feet but not less than 100 feet of the facilities
17 described in (a) of this subsection, except elementary schools,
18 secondary schools, and playgrounds, by enacting an ordinance
19 authorizing such distance reduction, provided that such distance
20 reduction will not negatively impact the jurisdiction's civil
21 regulatory enforcement, criminal law enforcement interests, public
22 safety, or public health.

23 (c) A city, county, or town may permit the licensing of research
24 premises allowed under RCW 69.50.372 within 1,000 feet but not less
25 than 100 feet of the facilities described in (a) of this subsection
26 by enacting an ordinance authorizing such distance reduction,
27 provided that the ordinance will not negatively impact the
28 jurisdiction's civil regulatory enforcement, criminal law
29 enforcement, public safety, or public health.

30 (d) The board may license premises located in compliance with the
31 distance requirements set in an ordinance adopted under (b) or (c) of
32 this subsection. Before issuing or renewing a research license for
33 premises within 1,000 feet but not less than 100 feet of an
34 elementary school, secondary school, or playground in compliance with
35 an ordinance passed pursuant to (c) of this subsection, the board
36 must ensure that the facility:

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

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

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

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

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

13 (g) A city, town, or county may not require retail cannabis
14 premises when licensed under RCW 69.50.335(1) to locate more than 250
15 feet from the premises of any other cannabis retail license.

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

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

39 (11) The board may not issue a cannabis retail license for any
40 premises not currently licensed if:

1 (a) The board receives a written objection from the legislative
2 authority of an incorporated city or town, or county legislative
3 authority, relating to the physical location of the proposed
4 premises;

5 (b) The objection to the location from the incorporated city or
6 town, or county legislative authority, is received by the board
7 within 20 days of the board notifying the incorporated city or town,
8 or county legislative authority, of the proposed cannabis retail
9 location; and

10 (c) The objection to the issuance of a cannabis retail license at
11 the specified location is based on a preexisting local ordinance
12 limiting outlet density in a specific geographic area. For purposes
13 of this subsection (11), a preexisting local ordinance is an
14 ordinance enacted and in effect before the date the applicant submits
15 an application for a cannabis retail license to the board identifying
16 the premises proposed to be licensed. No objection related to the
17 physical location of a proposed premises may be made by a local
18 government under this subsection (11) based on a local ordinance
19 enacted after the date the applicant submits an application for a
20 cannabis retail license to the board identifying the premises
21 proposed to be licensed.

22 (12) After January 1, 2024, all cannabis licensees are encouraged
23 but are not required to submit a social equity plan to the board.
24 Upon confirmation by the board that a cannabis licensee who is not a
25 social equity applicant, and who does not hold a social equity
26 license issued under RCW 69.50.335, has submitted a social equity
27 plan, the board must within 30 days reimburse such a licensee an
28 amount equal to the cost of the licensee's annual cannabis license
29 renewal fee. The license renewal fee reimbursement authorized under
30 this subsection is subject to the following limitations:

31 (a) The board may provide reimbursement one time only to any
32 licensed entity; and

33 (b) Any licensed entity holding more than one cannabis license is
34 eligible for reimbursement of the license renewal fee on only one
35 license.

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