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**HOUSE BILL 1855**

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**State of Washington**

**67th Legislature**

**2022 Regular Session**

**By** Representatives Wicks and Dolan

Prefiled 01/07/22.

1 AN ACT Relating to continuing the development of the cannabis  
2 market by enacting provisions specific to a craft cannabis  
3 endorsement; and adding a new section to chapter 69.50 RCW.

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

5 NEW SECTION. **Sec. 1.** A new section is added to chapter 69.50  
6 RCW to read as follows:

7 (1)(a) There is a craft cannabis endorsement available to  
8 qualified marijuana producers and processors licensed under RCW  
9 69.50.325 who apply to the board for the endorsement, meet the  
10 requirements of this section, and pay a fee. The board shall  
11 establish a fee for the endorsement in an amount necessary to offset  
12 the costs of administering the endorsement program, provided that the  
13 fee for each endorsement may not exceed \$500 per year. Marijuana  
14 producers and processors licensed prior to, on, or after the  
15 effective date of this section may apply for a craft cannabis  
16 endorsement. The board shall establish authorized hours of operation  
17 for retail sales activities of craft cannabis endorsement holders  
18 that are more limited than authorized hours of operation for  
19 marijuana retailers licensed under RCW 69.50.325.

20 (b) Pursuant to rules adopted by the board by January 1, 2023, a  
21 marijuana producer and processor with a craft cannabis endorsement

1 may make retail sales of marijuana products, produced and processed  
2 entirely by the licensee, directly to adults age 21 and over from the  
3 licensed premises. The retail sales limits in RCW 69.50.360(3) apply  
4 to retail sales authorized under this section. All taxes applicable  
5 to retail sales of marijuana products by a marijuana retailer apply  
6 to retail sales of marijuana products by an endorsement holder.

7 (c) If a person holds multiple marijuana producer and processor  
8 licenses through one business, legal entity, or commercial entity and  
9 seeks an endorsement:

10 (i) The licensed business, legal entity, or commercial entity  
11 must be endorsed under this section; and

12 (ii) Retail sales may only be made from a single licensed  
13 production premises or single licensed processing facility that is on  
14 or adjacent to a licensed production premises, but the marijuana  
15 products sold at retail may be produced and processed in any of the  
16 commonly owned licensed premises or facilities.

17 (2) To qualify for and maintain a craft cannabis endorsement, a  
18 person with a marijuana producer and processor license or multiple  
19 marijuana producer and processor licenses may not utilize more than a  
20 total of 10,000 square feet of indoor production canopy at one  
21 licensed premise or at multiple licensed premises. All other  
22 production must be seasonal sungrown production.

23 (3) The owner of a business, legal entity, or commercial entity  
24 with a marijuana producer and processor license and a craft cannabis  
25 endorsement may not have an ownership interest in, have a management  
26 role in, or exercise control over any other separately organized  
27 business, legal entity, or commercial entity with a marijuana license  
28 issued under this chapter.

29 (4) This section does not:

30 (a) Require or authorize an increase in the amount of square feet  
31 of production canopy allowed by the board for any licensee;

32 (b) Increase the number of licensed production or processing  
33 facilities that a licensee may operate pursuant to their license and  
34 board rules;

35 (c) Authorize marijuana producers to exercise privileges of a  
36 marijuana processor without holding a marijuana processor license or  
37 authorize marijuana processors to exercise privileges of a marijuana  
38 producer without holding a marijuana producer license; or

39 (d) Require the board to issue additional marijuana producer or  
40 processor licenses.

1           (5) For purposes of this section, the following definitions  
2 apply:

3           (a) "Indoor production" means production of marijuana in any area  
4 or space that includes the use of supplemental or artificial lighting  
5 to cultivate marijuana during the flowering period of the cannabis  
6 plant.

7           (b) "Seasonal sungrown production" means production of marijuana  
8 outdoors without the use of supplemental or artificial lighting in  
9 the canopy area at any point in time.

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