HOUSE BILL 2483

State of Washington

65th Legislature

2018 Regular Session

By Representative Klippert

- 1 AN ACT Relating to the siting of marijuana businesses in relation
- 2 to areas or facilities frequented by children; amending RCW
- 3 69.50.331, 69.50.369, and 69.50.580; and declaring an emergency.
- 4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:
- 5 **Sec. 1.** RCW 69.50.331 and 2017 c 317 s 2 are each amended to 6 read as follows:
- 6 read as follows:
 7 (1) For the purpose of considering any application for a license
- 8 to produce, process, research, transport, or deliver marijuana, 9 useable marijuana, marijuana concentrates, or marijuana-infused
- 10 products subject to the regulations established under RCW 69.50.385,
- 11 or sell marijuana, or for the renewal of a license to produce,
- 12 process, research, transport, or deliver marijuana, useable
- 13 marijuana, marijuana concentrates, or marijuana-infused products
- 14 subject to the regulations established under RCW 69.50.385, or sell
- 15 marijuana, the state liquor and cannabis board must conduct a
- 16 comprehensive, fair, and impartial evaluation of the applications
- 17 timely received.
- 18 (a) The state liquor and cannabis board may cause an inspection
- 19 of the premises to be made, and may inquire into all matters in
- 20 connection with the construction and operation of the premises. For
- 21 the purpose of reviewing any application for a license and for

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1 considering the denial, suspension, revocation, or renewal or denial thereof, of any license, the state liquor and cannabis board may 2 consider any prior criminal conduct of the applicant including an 3 administrative violation history record with the state liquor and 4 cannabis board and a criminal history record information check. The 5 6 state liquor and cannabis board may submit the criminal history record information check to the Washington state patrol and to the 7 identification division of the federal bureau of investigation in 8 order that these agencies may search their records for prior arrests 9 and convictions of the individual or individuals who filled out the 10 11 forms. The state liquor and cannabis board must fingerprinting of any applicant whose criminal history record 12 information check is submitted to the bureau 13 federal investigation. The provisions of RCW 9.95.240 and of chapter 9.96A 14 RCW do not apply to these cases. Subject to the provisions of this 15 16 section, the state liquor and cannabis board may, in its discretion, 17 grant or deny the renewal or license applied for. Denial may be based on, without limitation, the existence of chronic illegal activity 18 documented in objections submitted pursuant to subsections (7)(c) and 19 (10) of this section. Authority to approve an uncontested or 20 21 unopposed license may be granted by the state liquor and cannabis board to any staff member the board designates in writing. Conditions 22 for granting this authority must be adopted by rule. 23

- (b) No license of any kind may be issued to:
- (i) A person under the age of twenty-one years;

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- (ii) A person doing business as a sole proprietor who has not lawfully resided in the state for at least six months prior to applying to receive a license;
 - (iii) A partnership, employee cooperative, association, nonprofit corporation, or corporation unless formed under the laws of this state, and unless all of the members thereof are qualified to obtain a license as provided in this section; or
 - (iv) A person whose place of business is conducted by a manager or agent, unless the manager or agent possesses the same qualifications required of the licensee.
- 36 (2)(a) The state liquor and cannabis board may, in its 37 discretion, subject to the provisions of RCW 69.50.334, suspend or 38 cancel any license; and all protections of the licensee from criminal 39 or civil sanctions under state law for producing, processing, 40 researching, or selling marijuana, marijuana concentrates, useable

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marijuana, or marijuana-infused products thereunder must be suspended or terminated, as the case may be.

- (b) The state liquor and cannabis board must immediately suspend the license of a person who has been certified pursuant to RCW 74.20A.320 by the department of social and health services as a person who is not in compliance with a support order. If the person has continued to meet all other requirements for reinstatement during the suspension, reissuance of the license is automatic upon the state liquor and cannabis board's receipt of a release issued by the department of social and health services stating that the licensee is in compliance with the order.
- (c) The state liquor and cannabis board may request the appointment of administrative law judges under chapter 34.12 RCW who shall have power to administer oaths, issue subpoenas for the attendance of witnesses and the production of papers, books, accounts, documents, and testimony, examine witnesses, and to receive testimony in any inquiry, investigation, hearing, or proceeding in any part of the state, under rules and regulations the state liquor and cannabis board may adopt.
- (d) Witnesses must be allowed fees and mileage each way to and from any inquiry, investigation, hearing, or proceeding at the rate authorized by RCW 34.05.446. Fees need not be paid in advance of appearance of witnesses to testify or to produce books, records, or other legal evidence.
- (e) In case of disobedience of any person to comply with the order of the state liquor and cannabis board or a subpoena issued by the state liquor and cannabis board, or any of its members, or administrative law judges, or on the refusal of a witness to testify to any matter regarding which he or she may be lawfully interrogated, the judge of the superior court of the county in which the person resides, on application of any member of the board or administrative law judge, compels obedience by contempt proceedings, as in the case of disobedience of the requirements of a subpoena issued from said court or a refusal to testify therein.
- (3) Upon receipt of notice of the suspension or cancellation of a license, the licensee must forthwith deliver up the license to the state liquor and cannabis board. Where the license has been suspended only, the state liquor and cannabis board must return the license to the licensee at the expiration or termination of the period of suspension. The state liquor and cannabis board must notify all other

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licensees in the county where the subject licensee has its premises of the suspension or cancellation of the license; and no other licensee or employee of another licensee may allow or cause any marijuana, marijuana concentrates, useable marijuana, or marijuanainfused products to be delivered to or for any person at the premises of the subject licensee.

- (4) Every license issued under this chapter is subject to all conditions and restrictions imposed by this chapter or by rules adopted by the state liquor and cannabis board to implement and enforce this chapter. All conditions and restrictions imposed by the state liquor and cannabis board in the issuance of an individual license must be listed on the face of the individual license along with the trade name, address, and expiration date.
- 14 (5) Every licensee must post and keep posted its license, or licenses, in a conspicuous place on the premises.
- 16 (6) No licensee may employ any person under the age of twenty-one years.
 - (7)(a) Before the state liquor and cannabis board issues a new or renewed license to an applicant it must give notice of the application to the chief executive officer of the incorporated city or town, if the application is for a license within an incorporated city or town, or to the county legislative authority, if the application is for a license outside the boundaries of incorporated cities or towns, or to the tribal government if the application is for a license within Indian country, or to the port authority if the application for a license is located on property owned by a port authority.
 - (b) The incorporated city or town through the official or employee selected by it, the county legislative authority or the official or employee selected by it, the tribal government, or port authority has the right to file with the state liquor and cannabis board within twenty days after the date of transmittal of the notice for applications, or at least thirty days prior to the expiration date for renewals, written objections against the applicant or against the premises for which the new or renewed license is asked. The state liquor and cannabis board may extend the time period for submitting written objections upon request from the authority notified by the state liquor and cannabis board.
 - (c) The written objections must include a statement of all facts upon which the objections are based, and in case written objections

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- 1 are filed, the city or town or county legislative authority may request, and the state liquor and cannabis board may in its 2 discretion hold, a hearing subject to the applicable provisions of 3 Title 34 RCW. If the state liquor and cannabis board makes an initial 4 decision to deny a license or renewal based on the written objections 5 6 of an incorporated city or town or county legislative authority, the applicant may request a hearing subject to the applicable provisions 7 of Title 34 RCW. If a hearing is held at the request of the 8 applicant, state liquor and cannabis board representatives must 9 present and defend the state liquor and cannabis board's initial 10 11 decision to deny a license or renewal.
 - (d) Upon the granting of a license under this title the state liquor and cannabis board must send written notification to the chief executive officer of the incorporated city or town in which the license is granted, or to the county legislative authority if the license is granted outside the boundaries of incorporated cities or towns.
- 18 (8)(a) Except as provided in ((\(\frac{(b)}{through}\)\(\frac{(d)}{(d)}\))) (c) through (e)

 19 of this subsection, the state liquor and cannabis board may not issue

 20 a license for any premises within one thousand feet of the perimeter

 21 of the grounds of any:
 - (i) Preschool, elementary school, or secondary school((τ)):
- 23 <u>(ii) P</u>layground, <u>whether such playground is owned or managed by a</u> 24 governmental entity, private entity, or person;
- 25 (iii) School bus stop;

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- 26 (iv) Recreation center or facility((τ)):
 - (v) Child care center, including a preschool or other facility that regularly provides child day care or early learning services for a group of children for periods of less than twenty-four hours, whether or not the child care center is required to be licensed by the department of early learning under chapter 43.216 RCW;
- 32 (vi) Public park((τ));
- 33 <u>(vii) Public transit center((, or));</u>
- 34 $\underline{\text{(viii)}} \underline{\text{L}} ibrary((-))\underline{;} or$
- (ix) Any game arcade admission to which is not restricted to persons aged twenty-one years or older.
- 37 (b) The state liquor and cannabis board may not issue or renew a
 38 license for any premises that is located within one thousand feet of
 39 the perimeter of the grounds of any preschool, elementary school,
 40 secondary school, school bus stop, playground, or child care center

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described in (a)(i), (ii), (iii), or (v) of this subsection. This subsection (8)(b) applies to a license issued before, on, or after the effective date of this section.

- (c) A city, county, or town may permit the licensing of premises within one thousand feet but not less than one hundred feet of the facilities described in (a) of this subsection, except preschools, elementary schools, secondary schools, school bus stops, child care centers, and playgrounds, by enacting an ordinance authorizing such distance reduction, provided that such distance reduction will not negatively impact the jurisdiction's civil regulatory enforcement, criminal law enforcement interests, public safety, or public health.
- (((c))) (d) A city, county, or town may permit the licensing of research premises allowed under RCW 69.50.372 within one thousand feet but not less than one hundred feet of the facilities described in (a) of this subsection by enacting an ordinance authorizing such distance reduction, provided that the ordinance will not negatively impact the jurisdiction's civil regulatory enforcement, criminal law enforcement, public safety, or public health.
- $((\frac{d}{d}))$ (e) The state liquor and cannabis board may license premises located in compliance with the distance requirements set in an ordinance adopted under $((\frac{d}{d}) or))$ (c) or (d) of this subsection. Before issuing or renewing a research license for premises within one thousand feet but not less than one hundred feet of $((\frac{d}{d}))$ a preschool, elementary school, secondary school, school bus stop, child care center, or playground in compliance with an ordinance passed pursuant to $((\frac{d}{d}))$ (d) of this subsection, the board must ensure that the facility:
- (i) Meets a security standard exceeding that which applies to marijuana producer, processor, or retailer licensees;
- 30 (ii) Is inaccessible to the public and no part of the operation 31 of the facility is in view of the general public; and
- 32 (iii) Bears no advertising or signage indicating that it is a 33 marijuana research facility.
 - (((e))) <u>(f)</u> The state liquor and cannabis board may not issue a license for any premises within Indian country, as defined in 18 U.S.C. Sec. 1151, including any fee patent lands within the exterior boundaries of a reservation, without the consent of the federally recognized tribe associated with the reservation or Indian country.
- 39 (9) A city, town, or county may adopt an ordinance prohibiting a 40 marijuana producer or marijuana processor from operating or locating

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a business within areas zoned primarily for residential use or rural use with a minimum lot size of five acres or smaller.

- (10) In determining whether to grant or deny a license or renewal 3 of any license, the state liquor and cannabis board must give 4 substantial weight to objections from an incorporated city or town or 5 6 county legislative authority based upon chronic illegal activity associated with the applicant's operations of the premises proposed 7 to be licensed or the applicant's operation of any other licensed 8 premises, or the conduct of the applicant's patrons inside or outside 9 the licensed premises. "Chronic illegal activity" means 10 11 pervasive pattern of activity that threatens the public health, 12 safety, and welfare of the city, town, or county including, but not limited to, open container violations, assaults, disturbances, 13 disorderly conduct, or other criminal law violations, 14 documented in crime statistics, police reports, emergency medical 15 response data, calls for service, field data, or similar records of a 16 17 law enforcement agency for the city, town, county, or any other 18 municipal corporation or any state agency; or (b) an unreasonably high number of citations for violations of RCW 46.61.502 associated 19 with the applicant's or licensee's operation of any licensed premises 20 21 as indicated by the reported statements given to law enforcement upon 22 arrest.
- 23 **Sec. 2.** RCW 69.50.369 and 2017 c 317 s 14 are each amended to 24 read as follows:

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- (1) No licensed marijuana producer, processor, researcher, or retailer may place or maintain, or cause to be placed or maintained, any sign or other advertisement for a marijuana business or marijuana product, including useable marijuana, marijuana concentrates, or marijuana-infused product, in any form or through any medium whatsoever within one thousand feet of the perimeter of a school grounds, playground as described in RCW 69.50.331(8)(a)(ii), school bus stop, recreation center or facility, child care center as described in RCW 69.50.331(8)(a)(v), public park, or library, or any game arcade admission to which is not restricted to persons aged twenty-one years or older.
- (2) Except for the use of billboards as authorized under this section, licensed marijuana retailers may not display any signage outside of the licensed premises, other than two signs identifying the retail outlet by the licensee's business or trade name, stating

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- 1 the location of the business, and identifying the nature of the business. Each sign must be no larger than one thousand six hundred 2 square inches and be permanently affixed to a building or other 3 structure. The location and content of the retail marijuana signs 4 authorized under this subsection are subject to all 5 6 requirements and restrictions established in this section for indoor 7 signs, outdoor signs, and other marijuana-related advertising methods. 8
 - (3) A marijuana licensee may not utilize transit advertisements for the purpose of advertising its business or product line. "Transit advertisements" means advertising on or within private or public vehicles and all advertisements placed at, on, or within any bus stop, taxi stand, transportation waiting area, train station, airport, or any similar transit-related location.
- 15 (4) A marijuana licensee may not engage in advertising or other 16 marketing practice that specifically targets persons residing outside 17 of the state of Washington.
 - (5) All signs, billboards, or other print advertising for marijuana businesses or marijuana products must contain text stating that marijuana products may be purchased or possessed only by persons twenty-one years of age or older.
 - (6) A marijuana licensee may not:

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- (a) Take any action, directly or indirectly, to target youth in the advertising, promotion, or marketing of marijuana and marijuana products, or take any action the primary purpose of which is to initiate, maintain, or increase the incidence of youth use of marijuana or marijuana products;
- (b) Use objects such as toys or inflatables, movie or cartoon characters, or any other depiction or image likely to be appealing to youth, where such objects, images, or depictions indicate an intent to cause youth to become interested in the purchase or consumption of marijuana products; or
- (c) Use or employ a commercial mascot outside of, and in proximity to, a licensed marijuana business. A "commercial mascot" means live human being, animal, or mechanical device used for attracting the attention of motorists and passersby so as to make them aware of marijuana products or the presence of a marijuana business. Commercial mascots include, but are not limited to, inflatable tube displays, persons in costume, or wearing, holding, or spinning a sign with a marijuana-related commercial message or image,

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where the intent is to draw attention to a marijuana business or its products.

- (7) A marijuana licensee that engages in outdoor advertising is subject to the advertising requirements and restrictions set forth in this subsection (7) and elsewhere in this chapter.
- (a) All outdoor advertising signs, including billboards, are limited to text that identifies the retail outlet by the licensee's business or trade name, states the location of the business, and identifies the type or nature of the business. Such signs may not contain any depictions of marijuana plants, marijuana products, or images that might be appealing to children. The state liquor and cannabis board is granted rule-making authority to regulate the text and images that are permissible on outdoor advertising. Such rule making must be consistent with other administrative rules generally applicable to the advertising of marijuana businesses and products.
 - (b) Outdoor advertising is prohibited:

- (i) On signs and placards in arenas, stadiums, shopping malls, fairs that receive state allocations, farmers markets, and video game arcades, whether any of the foregoing are open air or enclosed, but not including any such sign or placard located in an adult only facility; and
- (ii) Billboards that are visible from any street, road, highway, right-of-way, or public parking area are prohibited, except as provided in (c) of this subsection.
- (c) Licensed retail outlets may use a billboard or outdoor sign solely for the purpose of identifying the name of the business, the nature of the business, and providing the public with directional information to the licensed retail outlet. Billboard advertising is subject to the same requirements and restrictions as set forth in (a) of this subsection.
- (d) Advertising signs within the premises of a retail marijuana business outlet that are visible to the public from outside the premises must meet the signage regulations and requirements applicable to outdoor signs as set forth in this section.
- (e) The restrictions and regulations applicable to outdoor advertising under this section are not applicable to:
- 37 (i) An advertisement inside a licensed retail establishment that 38 sells marijuana products that is not placed on the inside surface of 39 a window facing outward; or

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- (ii) An outdoor advertisement at the site of an event to be held at an adult only facility that is placed at such site during the period the facility or enclosed area constitutes an adult only facility, but in no event more than fourteen days before the event, and that does not advertise any marijuana product other than by using a brand name to identify the event.
- (8) Merchandising within a retail outlet is not advertising for the purposes of this section.
 - (9) This section does not apply to a noncommercial message.
 - (10)(a) The state liquor and cannabis board must:

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- (i) Adopt rules implementing this section and specifically including provisions regulating the billboards and outdoor signs authorized under this section; and
- (ii) Fine a licensee one thousand dollars for each violation of this section until the state liquor and cannabis board adopts rules prescribing penalties for violations of this section. The rules must establish escalating penalties including fines and up to suspension or revocation of a marijuana license for subsequent violations.
- 19 (b) Fines collected under this subsection must be deposited into 20 the dedicated marijuana account created under RCW 69.50.530.
- 21 (11) A city, town, or county may adopt rules of outdoor 22 advertising by licensed marijuana retailers that are more restrictive 23 than the advertising restrictions imposed under this chapter. 24 Enforcement of restrictions to advertising by a city, town, or county 25 is the responsibility of the city, town, or county.
- 26 **Sec. 3.** RCW 69.50.580 and 2015 2nd sp.s. c 4 s 801 are each 27 amended to read as follows:
 - (1) Applicants for a marijuana producer's, marijuana processor's, marijuana researcher's or marijuana retailer's license under this chapter must display a sign provided by the state liquor and cannabis board on the outside of the premises to be licensed notifying the public that the premises are subject to an application for such license. The sign must:
- 34 (a) Contain text with content sufficient to notify the public of 35 the nature of the pending license application, the date of the 36 application, the name of the applicant, and contact information for 37 the state liquor and cannabis board;

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1 (b) Be conspicuously displayed on, or immediately adjacent to, 2 the premises subject to the application and in the location that is 3 most likely to be seen by the public;

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- (c) Be of a size sufficient to ensure that it will be readily seen by the public; and
- (d) Be posted within seven business days of the submission of the application to the state liquor and cannabis board.
 - (2) The state liquor and cannabis board must adopt such rules as are necessary for the implementation of this section, including rules pertaining to the size of the sign and the text thereon, the textual content of the sign, the fee for providing the sign, and any other requirements necessary to ensure that the sign provides adequate notice to the public.
- 14 (3)(a) A city, town, or county may adopt an ordinance requiring individual notice by an applicant for a marijuana producer's, 15 16 marijuana processor's, marijuana researcher's, or 17 retailer's license under this chapter, sixty days prior to issuance of the license, to any preschool, elementary ((or)) school, secondary 18 school, school bus stop, playground as described in RCW 19 69.50.331(8)(a)(ii), recreation center or facility, child care center 20 as described in RCW 69.50.331(8)(a)(v), church, public park, public 21 transit center, library, or any game arcade admission to which is not 22 restricted to persons aged twenty-one years or older, that is within 23 24 thousand feet of the perimeter of the grounds of the 25 establishment seeking licensure. The notice must provide the contact 26 information for the liquor and cannabis board where any of the owners 27 or operators of these entities may submit comments or concerns about the proposed business location. 28
- 29 (b) For the purposes of this subsection, "church" means a 30 building erected for and used exclusively for religious worship and 31 schooling or other activity in connection therewith.
- NEW SECTION. **Sec. 4.** This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect immediately.

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