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SENATE BILL 5363

State of Washington

68th Legislature

2023 Regular Session

By Senator MacEwen

- 1 AN ACT Relating to cannabis retailer advertising; and amending 2 RCW 69.50.369.
- 3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:
- 4 **Sec. 1.** RCW 69.50.369 and 2022 c 16 s 75 are each amended to 5 read as follows:
 - (1) No licensed cannabis producer, processor, researcher, or retailer may place or maintain, or cause to be placed or maintained, any sign or other advertisement for a cannabis business or cannabis product, including useable cannabis, cannabis concentrates, or cannabis-infused product, in any form or through any medium whatsoever within one thousand feet of the perimeter of a school grounds, playground, recreation center or facility, child care center, 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 cannabis 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 the location of the business, and identifying the nature of the business. Each sign must be ((no larger than one thousand six hundred square inches and be)) permanently affixed to a building or other

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structure. The location and content of the retail cannabis signs authorized under this subsection are subject to all other requirements and restrictions established in this section for indoor signs, outdoor signs, and other cannabis-related advertising methods.

- (3) A cannabis 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.
- (4) A cannabis licensee may not engage in advertising or other marketing practice that specifically targets persons residing outside of the state of Washington.
- (5) All signs, billboards, or other print advertising for cannabis businesses or cannabis products must contain text stating that cannabis products may be purchased or possessed only by persons twenty-one years of age or older.
 - (6) A cannabis licensee may not:

- (a) Take any action, directly or indirectly, to target youth in the advertising, promotion, or marketing of cannabis and cannabis products, or take any action the primary purpose of which is to initiate, maintain, or increase the incidence of youth use of cannabis or cannabis 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 cannabis products; or
- (c) Use or employ a commercial mascot outside of, and in proximity to, a licensed cannabis 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 cannabis products or the presence of a cannabis business. Commercial mascots include, but are not limited to, inflatable tube displays, persons in costume, or wearing, holding, or spinning a sign with a cannabis-related commercial message or image, where the intent is to draw attention to a cannabis business or its products.

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- (7) A cannabis 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 cannabis plants, cannabis products, or images that might be appealing to children. The 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 cannabis 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 cannabis 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:
- (i) An advertisement inside a licensed retail establishment that sells cannabis products that is not placed on the inside surface of a window facing outward; or
- (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

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- facility, but in no event more than fourteen days before the event, and that does not advertise any cannabis 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 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 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 cannabis license for subsequent violations.
- 16 (b) Fines collected under this subsection must be deposited into the dedicated cannabis account created under RCW 69.50.530.
 - (11) A city, town, or county may adopt rules of outdoor advertising by licensed cannabis retailers that are more restrictive than the advertising restrictions imposed under this chapter. Enforcement of restrictions to advertising by a city, town, or county is the responsibility of the city, town, or county.
 - (12) The board may not regulate the size of retail signs, whether indoor or outdoor, and billboards for licensed cannabis retailers. Licensed cannabis retailers are subject to any size requirements for retail signs and billboards of the city, town, or county in which the licensed cannabis retailer is located. This subsection does not affect the board's rule-making authority regarding any other licensed cannabis retailer advertising requirements under this section or RCW 69.50.342 or 69.50.345.

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