H-1711.3

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**HOUSE BILL 1855**

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**State of Washington 67th Legislature 2022 Regular Session**

**By** Representatives Wicks, Dolan, Macri, Bateman, and Harris-Talley

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

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

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

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

(b) Pursuant to rules adopted by the board by January 1, 2023, a marijuana producer and processor with a craft cannabis endorsement may make retail sales of marijuana products, produced and processed entirely by the licensee, directly to adults age 21 and over from the licensed premises. The retail sales limits in RCW 69.50.360(3) apply to retail sales authorized under this section. All taxes applicable to retail sales of marijuana products by a marijuana retailer apply to retail sales of marijuana products by an endorsement holder.

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

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

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

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

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

(4) This section does not:

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

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

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

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

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

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

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

**--- END ---**