

SHB 1151 - S COMM AMD
By Committee on Ways & Means

1 Strike everything after the enacting clause and insert the
2 following:

3 "Sec. 1. RCW 69.50.331 and 2017 c 317 s 2 are each amended to
4 read as follows:

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

16 (a) The state liquor and cannabis board may cause an inspection
17 of the premises to be made, and may inquire into all matters in
18 connection with the construction and operation of the premises. For
19 the purpose of reviewing any application for a license and for
20 considering the denial, suspension, revocation, or renewal or denial
21 thereof, of any license, the state liquor and cannabis board may
22 consider any prior criminal conduct of the applicant including an
23 administrative violation history record with the state liquor and
24 cannabis board and a criminal history record information check. The
25 state liquor and cannabis board may submit the criminal history
26 record information check to the Washington state patrol and to the
27 identification division of the federal bureau of investigation in
28 order that these agencies may search their records for prior arrests
29 and convictions of the individual or individuals who filled out the
30 forms. The state liquor and cannabis board must require
31 fingerprinting of any applicant whose criminal history record
32 information check is submitted to the federal bureau of

1 investigation. The provisions of RCW 9.95.240 and of chapter 9.96A
2 RCW do not apply to these cases. Subject to the provisions of this
3 section, the state liquor and cannabis board may, in its discretion,
4 grant or deny the renewal or license applied for. Denial may be based
5 on, without limitation, the existence of chronic illegal activity
6 documented in objections submitted pursuant to subsections (7)(c) and
7 (10) of this section. Authority to approve an uncontested or
8 unopposed license may be granted by the state liquor and cannabis
9 board to any staff member the board designates in writing. Conditions
10 for granting this authority must be adopted by rule.

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

12 (i) A person under the age of twenty-one years;

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

16 (iii) ~~((A partnership, employee cooperative, association,~~
17 ~~nonprofit corporation, or corporation unless formed under the laws of~~
18 ~~this state, and unless all of the members thereof are qualified to~~
19 ~~obtain a license as provided in this section))~~ An entity, unless:

20 (A) The entity is formed under the laws of this state or holds a
21 certificate of registration under chapter 23.95 RCW;

22 (B) At least seventy-five percent of the economic interest in the
23 entity is held by natural persons who meet the residency requirement;

24 (C) At least seventy-five percent of the voting power in the
25 entity is held by natural persons who meet the residency requirement;
26 and

27 (D) All interest holders in the entity who are not state
28 residents are resident citizens of the United States; or

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

33 (c) The state liquor and cannabis board has discretionary
34 authority to deny a license or license renewal to an entity if the
35 state liquor and cannabis board is unable to investigate a
36 nonresident interest holder in the entity in accordance with the
37 investigatory standards applicable to the investigation of a state
38 resident.

39 (2)(a) The state liquor and cannabis board may, in its
40 discretion, subject to the provisions of RCW 69.50.334, suspend or

1 cancel any license; and all protections of the licensee from criminal
2 or civil sanctions under state law for producing, processing,
3 researching, or selling marijuana, marijuana concentrates, useable
4 marijuana, or marijuana-infused products thereunder must be suspended
5 or terminated, as the case may be.

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

15 (c) The state liquor and cannabis board may request the
16 appointment of administrative law judges under chapter 34.12 RCW who
17 shall have power to administer oaths, issue subpoenas for the
18 attendance of witnesses and the production of papers, books,
19 accounts, documents, and testimony, examine witnesses, and to receive
20 testimony in any inquiry, investigation, hearing, or proceeding in
21 any part of the state, under rules and regulations the state liquor
22 and cannabis board may adopt.

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

28 (e) In case of disobedience of any person to comply with the
29 order of the state liquor and cannabis board or a subpoena issued by
30 the state liquor and cannabis board, or any of its members, or
31 administrative law judges, or on the refusal of a witness to testify
32 to any matter regarding which he or she may be lawfully interrogated,
33 the judge of the superior court of the county in which the person
34 resides, on application of any member of the board or administrative
35 law judge, compels obedience by contempt proceedings, as in the case
36 of disobedience of the requirements of a subpoena issued from said
37 court or a refusal to testify therein.

38 (3) Upon receipt of notice of the suspension or cancellation of a
39 license, the licensee must forthwith deliver up the license to the
40 state liquor and cannabis board. Where the license has been suspended

1 only, the state liquor and cannabis board must return the license to
2 the licensee at the expiration or termination of the period of
3 suspension. The state liquor and cannabis board must notify all other
4 licensees in the county where the subject licensee has its premises
5 of the suspension or cancellation of the license; and no other
6 licensee or employee of another licensee may allow or cause any
7 marijuana, marijuana concentrates, useable marijuana, or marijuana-
8 infused products to be delivered to or for any person at the premises
9 of the subject licensee.

10 (4) Every license issued under this chapter is subject to all
11 conditions and restrictions imposed by this chapter or by rules
12 adopted by the state liquor and cannabis board to implement and
13 enforce this chapter. All conditions and restrictions imposed by the
14 state liquor and cannabis board in the issuance of an individual
15 license must be listed on the face of the individual license along
16 with the trade name, address, and expiration date.

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

19 (6) No licensee may employ any person under the age of twenty-one
20 years.

21 (7)(a) Before the state liquor and cannabis board issues a new or
22 renewed license to an applicant it must give notice of the
23 application to the chief executive officer of the incorporated city
24 or town, if the application is for a license within an incorporated
25 city or town, or to the county legislative authority, if the
26 application is for a license outside the boundaries of incorporated
27 cities or towns, or to the tribal government if the application is
28 for a license within Indian country, or to the port authority if the
29 application for a license is located on property owned by a port
30 authority.

31 (b) The incorporated city or town through the official or
32 employee selected by it, the county legislative authority or the
33 official or employee selected by it, the tribal government, or port
34 authority has the right to file with the state liquor and cannabis
35 board within twenty days after the date of transmittal of the notice
36 for applications, or at least thirty days prior to the expiration
37 date for renewals, written objections against the applicant or
38 against the premises for which the new or renewed license is asked.
39 The state liquor and cannabis board may extend the time period for

1 submitting written objections upon request from the authority
2 notified by the state liquor and cannabis board.

3 (c) The written objections must include a statement of all facts
4 upon which the objections are based, and in case written objections
5 are filed, the city or town or county legislative authority may
6 request, and the state liquor and cannabis board may in its
7 discretion hold, a hearing subject to the applicable provisions of
8 Title 34 RCW. If the state liquor and cannabis board makes an initial
9 decision to deny a license or renewal based on the written objections
10 of an incorporated city or town or county legislative authority, the
11 applicant may request a hearing subject to the applicable provisions
12 of Title 34 RCW. If a hearing is held at the request of the
13 applicant, state liquor and cannabis board representatives must
14 present and defend the state liquor and cannabis board's initial
15 decision to deny a license or renewal.

16 (d) Upon the granting of a license under this title the state
17 liquor and cannabis board must send written notification to the chief
18 executive officer of the incorporated city or town in which the
19 license is granted, or to the county legislative authority if the
20 license is granted outside the boundaries of incorporated cities or
21 towns.

22 (8)(a) Except as provided in (b) through (d) of this subsection,
23 the state liquor and cannabis board may not issue a license for any
24 premises within one thousand feet of the perimeter of the grounds of
25 any elementary or secondary school, playground, recreation center or
26 facility, child care center, public park, public transit center, or
27 library, or any game arcade admission to which is not restricted to
28 persons aged twenty-one years or older.

29 (b) A city, county, or town may permit the licensing of premises
30 within one thousand feet but not less than one hundred feet of the
31 facilities described in (a) of this subsection, except elementary
32 schools, secondary schools, and playgrounds, by enacting an ordinance
33 authorizing such distance reduction, provided that such distance
34 reduction will not negatively impact the jurisdiction's civil
35 regulatory enforcement, criminal law enforcement interests, public
36 safety, or public health.

37 (c) A city, county, or town may permit the licensing of research
38 premises allowed under RCW 69.50.372 within one thousand feet but not
39 less than one hundred feet of the facilities described in (a) of this
40 subsection by enacting an ordinance authorizing such distance

1 reduction, provided that the ordinance will not negatively impact the
2 jurisdiction's civil regulatory enforcement, criminal law
3 enforcement, public safety, or public health.

4 (d) The state liquor and cannabis board may license premises
5 located in compliance with the distance requirements set in an
6 ordinance adopted under (b) or (c) of this subsection. Before issuing
7 or renewing a research license for premises within one thousand feet
8 but not less than one hundred feet of an elementary school, secondary
9 school, or playground in compliance with an ordinance passed pursuant
10 to (c) of this subsection, the board must ensure that the facility:

11 (i) Meets a security standard exceeding that which applies to
12 marijuana producer, processor, or retailer licensees;

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

15 (iii) Bears no advertising or signage indicating that it is a
16 marijuana research facility.

17 (e) The state liquor and cannabis board may not issue a license
18 for any premises within Indian country, as defined in 18 U.S.C. Sec.
19 1151, including any fee patent lands within the exterior boundaries
20 of a reservation, without the consent of the federally recognized
21 tribe associated with the reservation or Indian country.

22 (9) A city, town, or county may adopt an ordinance prohibiting a
23 marijuana producer or marijuana processor from operating or locating
24 a business within areas zoned primarily for residential use or rural
25 use with a minimum lot size of five acres or smaller.

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

1 municipal corporation or any state agency; or (b) an unreasonably
2 high number of citations for violations of RCW 46.61.502 associated
3 with the applicant's or licensee's operation of any licensed premises
4 as indicated by the reported statements given to law enforcement upon
5 arrest.

6 (11) For the purposes of this section:

7 (a) "Entity" has the same meaning as in RCW 23.95.105(6);

8 (b) "Interest" has the same meaning as in RCW 23.95.105(13); and

9 (c) "Interest holder" has the same meaning as in RCW

10 23.95.105(14)."

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11 On page 1, line 2 of the title, after "businesses;" strike the
12 remainder of the title and insert "and amending RCW 69.50.331."

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