
Commerce & Gaming Committee

HB 1125

Brief Description: Limiting the total number of retail marijuana licenses that may be held by a retailer and co-owners.

Sponsors: Representatives Condotta, Sawyer and Vick.

Brief Summary of Bill

- Restricts to a maximum of five the number of retail marijuana business licenses that may be individually or collectively held by a person, partnership, or corporation.

Hearing Date: 1/17/17

Staff: Thamas Osborn (786-7129).

Background:

State Licensing of Marijuana Producers, Processors, and Retailers.

The Liquor and Cannabis Board (LCB) issues three categories of marijuana-related business licenses: (1) the marijuana producer's license entitles the holder to produce marijuana for sale at wholesale to licensed marijuana processors or other producers; (2) the marijuana processor's license entitles the holder to process, package, and label marijuana for sale at wholesale to marijuana retailers and other processors; and (3) the marijuana retailer's license entitles the holder to sell marijuana products at retail prices in retail outlets. There are no statutory restrictions on the number of marijuana business licenses that may be issued to individuals, partnerships, or corporations.

The LCB is required to conduct a comprehensive, fair, and impartial evaluation of all applications for the various state-issued marijuana business licenses. However, pursuant to statute, the LCB is granted very broad, discretionary authority to grant or deny a license application. The process of evaluating license applications includes the following:

- the experience and qualifications of the applicant;
- an extensive criminal background check;

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- verification that the applicant has the requisite municipal business licenses; and
- an inspection of the premises to be licensed, including an inquiry into the construction and operation of the premises.

Summary of Bill:

The number of retail marijuana business licenses that may be held by an individual, partnership, or corporation are made subject to limitations. Specifically, an individual retail licensee and all other persons or entities with a financial or other ownership interest in the business operating under the license are limited, in the aggregate, to holding a collective total of not more than five retail marijuana licenses.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.