

E2SHB 2870 - S AMD 1247

By Senator Saldaña

PULLED 03/09/2020

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

3 "NEW SECTION. **Sec. 1.** (1) The legislature finds that additional
4 efforts are necessary to reduce barriers to entry to the cannabis
5 industry for individuals and communities most adversely impacted by
6 the enforcement of cannabis-related laws. In the interest of
7 establishing a cannabis industry that is equitable and accessible to
8 those most adversely impacted by the enforcement of drug-related
9 laws, including cannabis-related laws, the legislature finds a social
10 equity program should be created.

11 (2) The legislature finds that individuals who have been arrested
12 or incarcerated due to drug laws, and those who have resided in areas
13 of high poverty, suffer long-lasting adverse consequences, including
14 impacts to employment, business ownership, housing, health, and long-
15 term financial well-being. The legislature also finds that family
16 members, especially children, and communities of those who have been
17 arrested or incarcerated due to drug laws, suffer from emotional,
18 psychological, and financial harms as a result of such arrests and
19 incarceration. The legislature further finds that individuals in
20 disproportionately impacted areas suffered the harms of enforcement
21 of cannabis-related laws. Those communities face greater difficulties
22 accessing traditional banking systems and capital for establishing
23 businesses.

24 (3) The legislature therefore finds that in the interest of
25 remedying harms resulting from the enforcement of cannabis-related
26 laws in disproportionately impacted areas, creating a social equity
27 program will further an equitable cannabis industry by promoting
28 business ownership among individuals who have resided in areas of
29 high poverty and high enforcement of cannabis-related laws. The
30 social equity program should offer, among other things, financial and
31 technical assistance and license application benefits to individuals
32 most directly and adversely impacted by the enforcement of cannabis-

1 related laws who are interested in starting cannabis business
2 enterprises. It is the intent of the legislature that implementation
3 of the social equity program authorized by this act not result in an
4 increase in the number of marijuana retailer licenses above the limit
5 on the number of marijuana retailer licenses in the state established
6 by the board before January 1, 2020.

7 NEW SECTION. **Sec. 2.** A new section is added to chapter 69.50
8 RCW to read as follows:

9 (1) Beginning December 1, 2020, and until July 1, 2028, marijuana
10 retailer licenses that have been subject to forfeiture, revocation,
11 or cancellation by the board, or marijuana retailer licenses that
12 were not previously issued by the board but could have been issued
13 without exceeding the limit on the statewide number of marijuana
14 retailer licenses established before January 1, 2020, by the board,
15 may be issued or reissued to an applicant who meets the marijuana
16 retailer license requirements of this chapter.

17 (2)(a) In order to be considered for a retail license under
18 subsection (1) of this section, an applicant must be a social equity
19 applicant and submit a social equity plan along with other marijuana
20 retailer license application requirements to the board. If the
21 application proposes ownership by more than one person, then at least
22 fifty-one percent of the proposed ownership structure must reflect
23 the qualifications of a social equity applicant.

24 (b) Persons holding an existing marijuana retailer license or
25 title certificate for a marijuana retailer business in a local
26 jurisdiction subject to a ban or moratorium on marijuana retail
27 businesses may apply for a license under this section.

28 (3)(a) In determining the issuance of a license among applicants,
29 the board may prioritize applicants based on the extent to which the
30 application addresses the components of the social equity plan.

31 (b) The board may deny any application submitted under this
32 subsection if the board determines that:

33 (i) The application does not meet social equity goals or does not
34 meet social equity plan requirements; or

35 (ii) The application does not otherwise meet the licensing
36 requirements of this chapter.

37 (4) The board may adopt rules to implement this section. Rules
38 may include strategies for receiving advice on the social equity
39 program from individuals the program is intended to benefit. Rules

1 may also require that licenses awarded under this section be
2 transferred or sold only to individuals or groups of individuals who
3 comply with the requirements for initial licensure as a social equity
4 applicant with a social equity plan under this section.

5 (5) For the purposes of this section:

6 (a) "Disproportionately impacted area" means a census tract or
7 comparable geographic area that satisfies the following criteria,
8 which may be further defined in rule by the board after consultation
9 with the commission on African American affairs and other agencies
10 and stakeholders as determined by the board:

11 (i) The area has a high poverty rate;

12 (ii) The area has a high rate of participation in income-based
13 federal or state programs;

14 (iii) The area has a high rate of unemployment; and

15 (iv) The area has a high rate of arrest, conviction, or
16 incarceration related to the sale, possession, use, cultivation,
17 manufacture, or transport of marijuana.

18 (b) "Social equity applicant" means:

19 (i) An applicant who has at least fifty-one percent ownership and
20 control by one or more individuals who have resided for at least five
21 of the preceding ten years in a disproportionately impacted area; or

22 (ii) An applicant who has at least fifty-one percent ownership
23 and control by at least one individual who has been convicted of a
24 marijuana offense or is a family member of such an individual.

25 (c) "Social equity goals" means:

26 (i) Increasing the number of marijuana retailer licenses held by
27 social equity applicants from disproportionately impacted areas; and

28 (ii) Reducing accumulated harm suffered by individuals, families,
29 and local areas subject to severe impacts from the historical
30 application and enforcement of marijuana prohibition laws.

31 (d) "Social equity plan" means a plan that addresses at least
32 some of the elements outlined in this subsection (5)(d), along with
33 any additional plan components or requirements approved by the board
34 following consultation with the task force created in section 5 of
35 this act. The plan may include:

36 (i) A statement that the social equity applicant qualifies as a
37 social equity applicant and intends to own at least fifty-one percent
38 of the proposed marijuana retail business or applicants representing
39 at least fifty-one percent of the ownership of the proposed business
40 qualify as social equity applicants;

1 (ii) A description of how issuing a marijuana retail license to
2 the social equity applicant will meet social equity goals;

3 (iii) The social equity applicant's personal or family history
4 with the criminal justice system including any offenses involving
5 marijuana;

6 (iv) The composition of the workforce the social equity applicant
7 intends to hire;

8 (v) Neighborhood characteristics of the location where the social
9 equity applicant intends to operate, focusing especially on
10 disproportionately impacted areas; and

11 (vi) Business plans involving partnerships or assistance to
12 organizations or residents with connection to populations with a
13 history of high rates of enforcement of marijuana prohibition.

14 NEW SECTION. **Sec. 3.** A new section is added to chapter 43.330
15 RCW to read as follows:

16 (1) The marijuana social equity technical assistance competitive
17 grant program is established and is to be administered by the
18 department.

19 (2) The marijuana social equity technical assistance competitive
20 grant program must award grants on a competitive basis to marijuana
21 retailer license applicants who are social equity applicants
22 submitting social equity plans under section 2 of this act. The
23 department must award grants primarily based on the strength of the
24 social equity plans submitted by applicants but may also consider
25 additional criteria if deemed necessary or appropriate by the
26 department. Technical assistance activities eligible for funding
27 under the marijuana social equity technical assistance competitive
28 grant program include, but are not limited to:

29 (a) Assistance navigating the marijuana retailer licensure
30 process;

31 (b) Marijuana-business specific education and business plan
32 development;

33 (c) Regulatory compliance training;

34 (d) Financial management training and assistance in seeking
35 financing; and

36 (e) Connecting social equity applicants with established industry
37 members and tribal marijuana enterprises and programs for mentoring
38 and other forms of support approved by the board.

1 (3) Funding for the marijuana social equity technical assistance
2 competitive grant program must be provided through the dedicated
3 marijuana account under RCW 69.50.540. Additionally, the department
4 may solicit, receive, and expend private contributions to support the
5 grant program.

6 (4) The department may adopt rules to implement this section.

7 **Sec. 4.** RCW 69.50.540 and 2019 c 415 s 978 are each amended to
8 read as follows:

9 The legislature must annually appropriate moneys in the dedicated
10 marijuana account created in RCW 69.50.530 as follows:

11 (1) For the purposes listed in this subsection (1), the
12 legislature must appropriate to the respective agencies amounts
13 sufficient to make the following expenditures on a quarterly basis or
14 as provided in this subsection:

15 (a) One hundred twenty-five thousand dollars to the health care
16 authority to design and administer the Washington state healthy youth
17 survey, analyze the collected data, and produce reports, in
18 collaboration with the office of the superintendent of public
19 instruction, department of health, department of commerce, family
20 policy council, and (~~state liquor and cannabis~~) board. The survey
21 must be conducted at least every two years and include questions
22 regarding, but not necessarily limited to, academic achievement, age
23 at time of substance use initiation, antisocial behavior of friends,
24 attitudes toward antisocial behavior, attitudes toward substance use,
25 laws and community norms regarding antisocial behavior, family
26 conflict, family management, parental attitudes toward substance use,
27 peer rewarding of antisocial behavior, perceived risk of substance
28 use, and rebelliousness. Funds disbursed under this subsection may be
29 used to expand administration of the healthy youth survey to student
30 populations attending institutions of higher education in Washington;

31 (b) Fifty thousand dollars to the health care authority for the
32 purpose of contracting with the Washington state institute for public
33 policy to conduct the cost-benefit evaluation and produce the reports
34 described in RCW 69.50.550. This appropriation ends after production
35 of the final report required by RCW 69.50.550;

36 (c) Five thousand dollars to the University of Washington alcohol
37 and drug abuse institute for the creation, maintenance, and timely
38 updating of web-based public education materials providing medically

1 and scientifically accurate information about the health and safety
2 risks posed by marijuana use;

3 (d) (i) An amount not less than one million two hundred fifty
4 thousand dollars to the (~~state liquor and cannabis~~) board for
5 administration of this chapter as appropriated in the omnibus
6 appropriations act;

7 (ii) Two million six hundred fifty-one thousand seven hundred
8 fifty dollars for fiscal year 2018 and three hundred fifty-one
9 thousand seven hundred fifty dollars for fiscal year 2019 to the
10 health professions account established under RCW 43.70.320 for the
11 development and administration of the marijuana authorization
12 database by the department of health;

13 (iii) Two million seven hundred twenty-three thousand dollars for
14 fiscal year 2020 and two million five hundred twenty-three thousand
15 dollars for fiscal year 2021 to the Washington state patrol for a
16 drug enforcement task force. It is the intent of the legislature that
17 this policy will be continued in the 2021-2023 fiscal biennium; and

18 (iv) Ninety-eight thousand dollars for fiscal year 2019 to the
19 department of ecology for research on accreditation of marijuana
20 product testing laboratories;

21 (e) Four hundred sixty-five thousand dollars for fiscal year 2020
22 and four hundred sixty-four thousand dollars for fiscal year 2021 to
23 the department of ecology for implementation of accreditation of
24 marijuana product testing laboratories;

25 (f) One hundred eighty-nine thousand dollars for fiscal year 2020
26 to the department of health for rule making regarding compassionate
27 care renewals;

28 (g) Eight hundred eight thousand dollars for fiscal year 2020 and
29 eight hundred eight thousand dollars for fiscal year 2021 to the
30 department of health for the administration of the marijuana
31 authorization database; (~~and~~)

32 (h) (~~(\$635,000 [six hundred thirty-five thousand dollars])~~) Six
33 hundred thirty-five thousand dollars for fiscal year 2020 and
34 (~~(\$635,000 [six hundred thirty-five thousand dollars])~~) six hundred
35 thirty-five thousand dollars for fiscal year 2021 to the department
36 of agriculture for compliance-based laboratory analysis of pesticides
37 in marijuana(~~(-)~~); and

38 (i) One million one hundred thousand dollars annually to the
39 department of commerce to fund the marijuana social equity technical
40 assistance competitive grant program under section 3 of this act; and

1 (2) From the amounts in the dedicated marijuana account after
2 appropriation of the amounts identified in subsection (1) of this
3 section, the legislature must appropriate for the purposes listed in
4 this subsection (2) as follows:

5 (a) (i) Up to fifteen percent to the health care authority for the
6 development, implementation, maintenance, and evaluation of programs
7 and practices aimed at the prevention or reduction of maladaptive
8 substance use, substance use disorder, substance abuse or substance
9 dependence, as these terms are defined in the Diagnostic and
10 Statistical Manual of Mental Disorders, among middle school and high
11 school-age students, whether as an explicit goal of a given program
12 or practice or as a consistently corresponding effect of its
13 implementation, mental health services for children and youth, and
14 services for pregnant and parenting women; PROVIDED, That:

15 (A) Of the funds appropriated under (a) (i) of this subsection for
16 new programs and new services, at least eighty-five percent must be
17 directed to evidence-based or research-based programs and practices
18 that produce objectively measurable results and, by September 1,
19 2020, are cost-beneficial; and

20 (B) Up to fifteen percent of the funds appropriated under (a) (i)
21 of this subsection for new programs and new services may be directed
22 to proven and tested practices, emerging best practices, or promising
23 practices.

24 (ii) In deciding which programs and practices to fund, the
25 director of the health care authority must consult, at least
26 annually, with the University of Washington's social development
27 research group and the University of Washington's alcohol and drug
28 abuse institute.

29 (iii) For each fiscal year, the legislature must appropriate a
30 minimum of twenty-five million five hundred thirty-six thousand
31 dollars under this subsection (2) (a);

32 (b) (i) Up to ten percent to the department of health for the
33 following, subject to (b) (ii) of this subsection (2):

34 (A) Creation, implementation, operation, and management of a
35 marijuana education and public health program that contains the
36 following:

37 (I) A marijuana use public health hotline that provides referrals
38 to substance abuse treatment providers, utilizes evidence-based or
39 research-based public health approaches to minimizing the harms

1 associated with marijuana use, and does not solely advocate an
2 abstinence-only approach;

3 (II) A grants program for local health departments or other local
4 community agencies that supports development and implementation of
5 coordinated intervention strategies for the prevention and reduction
6 of marijuana use by youth; and

7 (III) Media-based education campaigns across television,
8 internet, radio, print, and out-of-home advertising, separately
9 targeting youth and adults, that provide medically and scientifically
10 accurate information about the health and safety risks posed by
11 marijuana use; and

12 (B) The Washington poison control center.

13 (ii) For each fiscal year, the legislature must appropriate a
14 minimum of nine million seven hundred fifty thousand dollars under
15 this subsection (2)(b);

16 (c)(i) Up to six-tenths of one percent to the University of
17 Washington and four-tenths of one percent to Washington State
18 University for research on the short and long-term effects of
19 marijuana use, to include but not be limited to formal and informal
20 methods for estimating and measuring intoxication and impairment, and
21 for the dissemination of such research.

22 (ii) For each fiscal year, except for the 2017-2019 and 2019-2021
23 fiscal biennia, the legislature must appropriate a minimum of one
24 million twenty-one thousand dollars to the University of Washington.
25 For each fiscal year, except for the 2017-2019 and 2019-2021 fiscal
26 biennia, the legislature must appropriate a minimum of six hundred
27 eighty-one thousand dollars to Washington State University under this
28 subsection (2)(c). It is the intent of the legislature that this
29 policy will be continued in the 2019-2021 fiscal biennium;

30 (d) Fifty percent to the state basic health plan trust account to
31 be administered by the Washington basic health plan administrator and
32 used as provided under chapter 70.47 RCW;

33 (e) Five percent to the Washington state health care authority to
34 be expended exclusively through contracts with community health
35 centers to provide primary health and dental care services, migrant
36 health services, and maternity health care services as provided under
37 RCW 41.05.220;

38 (f)(i) Up to three-tenths of one percent to the office of the
39 superintendent of public instruction to fund grants to building
40 bridges programs under chapter 28A.175 RCW.

1 (ii) For each fiscal year, the legislature must appropriate a
2 minimum of five hundred eleven thousand dollars to the office of the
3 superintendent of public instruction under this subsection (2)(f);
4 and

5 (g) At the end of each fiscal year, the treasurer must transfer
6 any amounts in the dedicated marijuana account that are not
7 appropriated pursuant to subsection (1) of this section and this
8 subsection (2) into the general fund, except as provided in (g)(i) of
9 this subsection (2).

10 (i) Beginning in fiscal year 2018, if marijuana excise tax
11 collections deposited into the general fund in the prior fiscal year
12 exceed twenty-five million dollars, then each fiscal year the
13 legislature must appropriate an amount equal to thirty percent of all
14 marijuana excise taxes deposited into the general fund the prior
15 fiscal year to the treasurer for distribution to counties, cities,
16 and towns as follows:

17 (A) Thirty percent must be distributed to counties, cities, and
18 towns where licensed marijuana retailers are physically located. Each
19 jurisdiction must receive a share of the revenue distribution under
20 this subsection (2)(g)(i)(A) based on the proportional share of the
21 total revenues generated in the individual jurisdiction from the
22 taxes collected under RCW 69.50.535, from licensed marijuana
23 retailers physically located in each jurisdiction. For purposes of
24 this subsection (2)(g)(i)(A), one hundred percent of the proportional
25 amount attributed to a retailer physically located in a city or town
26 must be distributed to the city or town.

27 (B) Seventy percent must be distributed to counties, cities, and
28 towns ratably on a per capita basis. Counties must receive sixty
29 percent of the distribution, which must be disbursed based on each
30 county's total proportional population. Funds may only be distributed
31 to jurisdictions that do not prohibit the siting of any state
32 licensed marijuana producer, processor, or retailer.

33 (ii) Distribution amounts allocated to each county, city, and
34 town must be distributed in four installments by the last day of each
35 fiscal quarter.

36 (iii) By September 15th of each year, the (~~state liquor and~~
37 ~~cannabis~~) board must provide the state treasurer the annual
38 distribution amount, if any, for each county and city as determined
39 in (g)(i) of this subsection (2).

1 (iv) The total share of marijuana excise tax revenues distributed
2 to counties and cities in (g)(i) of this subsection (2) may not
3 exceed fifteen million dollars in fiscal years 2018, 2019, 2020, and
4 2021, and twenty million dollars per fiscal year thereafter. It is
5 the intent of the legislature that the policy for the maximum
6 distributions in the subsequent fiscal biennia will be no more than
7 fifteen million dollars per fiscal year.

8 ~~((For the purposes of this section, "marijuana products" means
9 "useable marijuana," "marijuana concentrates," and "marijuana-infused
10 products" as those terms are defined in RCW 69.50.101.))~~

11 NEW SECTION. **Sec. 5.** A new section is added to chapter 69.50
12 RCW to read as follows:

13 (1) A legislative task force on social equity in marijuana is
14 established. The purpose of the task force is to make recommendations
15 to the board including but not limited to establishing a social
16 equity program for the issuance and reissuance of existing retail
17 marijuana licenses, and to advise the governor and the legislature on
18 policies that will facilitate development of a marijuana social
19 equity program.

20 (2) The members of the task force are as provided in this
21 subsection.

22 (a) The president of the senate shall appoint one member from
23 each of the two largest caucuses of the senate.

24 (b) The speaker of the house of representatives shall appoint one
25 member from each of the two largest caucuses of the house of
26 representatives.

27 (c) The president of the senate and the speaker of the house of
28 representatives shall jointly appoint:

29 (i) One member from each of the following:

30 (A) The commission on African American affairs;

31 (B) The commission on Hispanic affairs;

32 (C) The governor's office of Indian affairs;

33 (D) An organization representing the African American community;

34 (E) An organization representing the Latinx community;

35 (F) A labor organization involved in the marijuana industry;

36 (G) The liquor and cannabis board;

37 (H) The department of commerce;

38 (I) The office of the attorney general; and

39 (J) The association of Washington cities;

1 (ii) Two members that currently hold a marijuana retail license;
2 and

3 (iii) Two members that currently hold a producer or processor
4 license or both.

5 (3) In addition to the members appointed to the task force under
6 subsection (2) of this section, individuals representing other
7 sectors may be invited by the chair of the task force, in
8 consultation with the other appointed members of the task force, to
9 participate in an advisory capacity in meetings of the task force.

10 (a) Individuals participating in an advisory capacity under this
11 subsection are not members of the task force, may not vote, and are
12 not subject to the appointment process established in this section.

13 (b) There is no limit to the number of individuals who may
14 participate in task force meetings in an advisory capacity under this
15 subsection.

16 (c) A majority of the task force members constitutes a quorum. If
17 a member has not been designated for a position set forth in this
18 section, that position may not be counted for the purpose of
19 determining a quorum.

20 (4) The task force shall hold its first meeting by July 1, 2020.
21 The task force shall elect a chair from among its legislative members
22 at the first meeting. The election of the chair must be by a majority
23 vote of the task force members who are present at the meeting. The
24 chair of the task force is responsible for arranging subsequent
25 meetings and developing meeting agendas.

26 (5) Staff support for the task force, including arranging the
27 first meeting of the task force and assisting the chair of the task
28 force in arranging subsequent meetings, must be provided by the
29 health equity council of the governor's interagency council on health
30 disparities. If Engrossed Second Substitute House Bill No. 1783 is
31 enacted by June 30, 2020, then responsibility for providing staff
32 support for the task force must be transferred to the office of
33 equity created by Engrossed Second Substitute House Bill No. 1783
34 when requested by the office of equity.

35 (6) The expenses of the task force must be paid jointly by the
36 senate and the house of representatives. Task force expenditures are
37 subject to approval by the senate facilities and operations committee
38 and the house of representatives executive rules committee, or their
39 successor committees.

1 (7) Legislative members of the task force may be reimbursed for
2 travel expenses in accordance with RCW 44.04.120. Nonlegislative
3 members are not entitled to be reimbursed for travel expenses if they
4 are elected officials or are participating on behalf of an employer,
5 governmental entity, or other organization. Any reimbursement for
6 other nonlegislative members is subject to chapter 43.03 RCW.

7 (8) The task force is a class one group under chapter 43.03 RCW.

8 (9) A public comment period must be provided at every meeting of
9 the task force.

10 (10) The task force shall submit one or more reports on
11 recommended policies that will facilitate the development of a
12 marijuana social equity program in Washington to the governor, the
13 board, and the appropriate committees of the legislature. The task
14 force is encouraged to submit individual recommendations, as soon as
15 possible, to facilitate the board's early work to implement the
16 recommendations. The final recommendations must be submitted by
17 December 1, 2020. The recommendations must include:

18 (a) Factors the board must consider in distributing the licenses
19 currently available from marijuana retailer licenses that have been
20 subject to forfeiture, revocation, or cancellation by the board, or
21 marijuana retailer licenses that were not previously issued by the
22 board but could have been issued without exceeding the limit on the
23 statewide number of marijuana retailer licenses established by the
24 board before January 1, 2020; and

25 (b) Whether any additional marijuana licenses should be issued
26 beyond the total number of marijuana licenses that have been issued
27 as of the effective date of this section. For purposes of determining
28 the total number of licenses issued as of the effective date of this
29 section, the total number includes licenses that have been forfeited,
30 revoked, or canceled.

31 (11) The board may adopt rules to implement the recommendations
32 of the task force. However, any recommendation to increase the number
33 of retail outlets above the current statewide limit of retail
34 outlets, established by the board before January 1, 2020, must be
35 approved by the legislature.

36 (12) This section expires June 30, 2022.

37 **Sec. 6.** RCW 69.50.325 and 2018 c 132 s 3 are each amended to
38 read as follows:

1 (1) There shall be a marijuana producer's license regulated by
2 the (~~state liquor and cannabis~~) board and subject to annual
3 renewal. The licensee is authorized to produce: (a) Marijuana for
4 sale at wholesale to marijuana processors and other marijuana
5 producers; (b) immature plants or clones and seeds for sale to
6 cooperatives as described under RCW 69.51A.250; and (c) immature
7 plants or clones and seeds for sale to qualifying patients and
8 designated providers as provided under RCW 69.51A.310. The
9 production, possession, delivery, distribution, and sale of marijuana
10 in accordance with the provisions of this chapter and the rules
11 adopted to implement and enforce it, by a validly licensed marijuana
12 producer, shall not be a criminal or civil offense under Washington
13 state law. Every marijuana producer's license shall be issued in the
14 name of the applicant, shall specify the location at which the
15 marijuana producer intends to operate, which must be within the state
16 of Washington, and the holder thereof shall not allow any other
17 person to use the license. The application fee for a marijuana
18 producer's license shall be two hundred fifty dollars. The annual fee
19 for issuance and renewal of a marijuana producer's license shall be
20 one thousand three hundred eighty-one dollars. A separate license
21 shall be required for each location at which a marijuana producer
22 intends to produce marijuana.

23 (2) There shall be a marijuana processor's license to process,
24 package, and label marijuana concentrates, useable marijuana, and
25 marijuana-infused products for sale at wholesale to marijuana
26 processors and marijuana retailers, regulated by the (~~state liquor
27 and cannabis~~) board and subject to annual renewal. The processing,
28 packaging, possession, delivery, distribution, and sale of marijuana,
29 useable marijuana, marijuana-infused products, and marijuana
30 concentrates in accordance with the provisions of this chapter and
31 chapter 69.51A RCW and the rules adopted to implement and enforce
32 these chapters, by a validly licensed marijuana processor, shall not
33 be a criminal or civil offense under Washington state law. Every
34 marijuana processor's license shall be issued in the name of the
35 applicant, shall specify the location at which the licensee intends
36 to operate, which must be within the state of Washington, and the
37 holder thereof shall not allow any other person to use the license.
38 The application fee for a marijuana processor's license shall be two
39 hundred fifty dollars. The annual fee for issuance and renewal of a
40 marijuana processor's license shall be one thousand three hundred

1 eighty-one dollars. A separate license shall be required for each
2 location at which a marijuana processor intends to process marijuana.

3 (3) (a) There shall be a marijuana retailer's license to sell
4 marijuana concentrates, useable marijuana, and marijuana-infused
5 products at retail in retail outlets, regulated by the (~~state liquor~~
6 ~~and cannabis~~) board and subject to annual renewal. The possession,
7 delivery, distribution, and sale of marijuana concentrates, useable
8 marijuana, and marijuana-infused products in accordance with the
9 provisions of this chapter and the rules adopted to implement and
10 enforce it, by a validly licensed marijuana retailer, shall not be a
11 criminal or civil offense under Washington state law. Every marijuana
12 retailer's license shall be issued in the name of the applicant,
13 shall specify the location of the retail outlet the licensee intends
14 to operate, which must be within the state of Washington, and the
15 holder thereof shall not allow any other person to use the license.
16 The application fee for a marijuana retailer's license shall be two
17 hundred fifty dollars. The annual fee for issuance and renewal of a
18 marijuana retailer's license shall be one thousand three hundred
19 eighty-one dollars. A separate license shall be required for each
20 location at which a marijuana retailer intends to sell marijuana
21 concentrates, useable marijuana, and marijuana-infused products.

22 (b) An individual retail licensee and all other persons or
23 entities with a financial or other ownership interest in the business
24 operating under the license are limited, in the aggregate, to holding
25 a collective total of not more than five retail marijuana licenses.

26 (c) (i) A marijuana retailer's license is subject to forfeiture in
27 accordance with rules adopted by the (~~state liquor and cannabis~~)
28 board pursuant to this section.

29 (ii) The (~~state liquor and cannabis~~) board shall adopt rules to
30 establish a license forfeiture process for a licensed marijuana
31 retailer that is not fully operational and open to the public within
32 a specified period from the date of license issuance, as established
33 by the (~~state liquor and cannabis~~) board, subject to the following
34 restrictions:

35 (A) No marijuana retailer's license may be subject to forfeiture
36 within the first nine months of license issuance; and

37 (B) The (~~state liquor and cannabis~~) board must require license
38 forfeiture on or before twenty-four calendar months of license
39 issuance if a marijuana retailer is not fully operational and open to
40 the public, unless the board determines that circumstances out of the

1 licensee's control are preventing the licensee from becoming fully
2 operational and that, in the board's discretion, the circumstances
3 warrant extending the forfeiture period beyond twenty-four calendar
4 months.

5 (iii) The ((~~state liquor and cannabis~~)) board has discretion in
6 adopting rules under this subsection (3)(c).

7 (iv) This subsection (3)(c) applies to marijuana retailer's
8 licenses issued before and after July 23, 2017. However, no license
9 of a marijuana retailer that otherwise meets the conditions for
10 license forfeiture established pursuant to this subsection (3)(c) may
11 be subject to forfeiture within the first nine calendar months of
12 July 23, 2017.

13 (v) The ((~~state liquor and cannabis~~)) board may not require
14 license forfeiture if the licensee has been incapable of opening a
15 fully operational retail marijuana business due to actions by the
16 city, town, or county with jurisdiction over the licensee that
17 include any of the following:

18 (A) The adoption of a ban or moratorium that prohibits the
19 opening of a retail marijuana business; or

20 (B) The adoption of an ordinance or regulation related to zoning,
21 business licensing, land use, or other regulatory measure that has
22 the effect of preventing a licensee from receiving an occupancy
23 permit from the jurisdiction or which otherwise prevents a licensed
24 marijuana retailer from becoming operational.

25 (d) The board may issue marijuana retailer licenses pursuant to
26 this chapter and section 2 of this act."

E2SHB 2870 - S AMD **1247**
By Senator Saldaña

PULLED 03/09/2020

27 On page 1, line 2 of the title, after "purposes;" strike the
28 remainder of the title and insert "amending RCW 69.50.540 and
29 69.50.325; adding new sections to chapter 69.50 RCW; adding a new
30 section to chapter 43.330 RCW; creating a new section; and providing
31 an expiration date."

EFFECT: Makes technical and clarifying revisions to the Marijuana
Social Equity Program.

Adds intent language specifying that the act is not intended to increase the total number of authorized marijuana retail outlets. Removes one condition that allowed the Liquor and Cannabis Board to deny an application by a social equity applicant if additional marijuana retailer licenses were not needed to meet the social equity goals in that city, town, or county.

Adds two members to the Marijuana Social Equity Task Force, one member from the Department of Commerce, and one member who represents a labor organization in the marijuana industry. Removes the Senate and House nonpartisan staff from the role of providing staff to the task force. Staff support is provided by the Health Equity Council of the Governor's Interagency Council on Health Disparities; unless Engrossed Second Substitute House Bill No. 1783 is enacted by June 30, 2020, then responsibility for providing staff is transferred to the Office of Equity upon its request. The task force must make recommendations regarding the factors the board must consider in distributing the licenses currently available from marijuana retailer licenses that have been subject to forfeiture, revocation, or cancellation by the board, or marijuana retailer licenses that were not previously issued by the board but could have been issued without exceeding the limit on the statewide number of marijuana retailer licenses. The task force is encouraged to submit individual recommendations, as soon as possible, to facilitate the board's early work to implement the recommendations. The task force expires June 30, 2022.

The Liquor and Cannabis Board's authorization to adopt rules to implement the recommendations of the task force is restricted. Any recommended increase in the statewide limit on the number of authorized retail outlets must be approved by the legislature.

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