
**Consumer Protection & Business
Committee**

SSB 5758

Brief Description: Supporting social equity in the cannabis industry by establishing distance requirements for certain licensees.

Sponsors: Senate Committee on Labor & Commerce (originally sponsored by Senators Saldaña and Nobles).

Brief Summary of Substitute Bill

- Prohibits a city, town, or county from requiring a cannabis retailer licensed through the Cannabis Social Equity Program to locate more than 250 feet from the premises of any other licensed cannabis retailer.

Hearing Date: 3/19/25

Staff: Peter Clodfelter (786-7127).

Background:

Distance Restrictions in Cannabis Licensing.

Generally, no cannabis license may be issued for a premises within 1,000 feet of the perimeter of the following facilities: (1) elementary or secondary schools; (2) playgrounds; (3) recreation centers or facilities; (4) child care centers; (5) public parks; (6) public transit centers; (7) libraries; or (8) game arcades that admit persons under age 21.

However, by enacting an ordinance, a city, town, or county may permit the licensing of premises within 1,000 feet but not less than 100 feet of those facilities, except elementary schools, secondary schools, and playgrounds. For licensed cannabis research facilities, a city, town, or county may reduce the distance to not less than 100 feet of all the specified facilities.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not part of the legislation nor does it constitute a statement of legislative intent.

Local governments are not preempted from prohibiting commercial cannabis activities in their jurisdictions or from adopting ordinances regulating the permissible locations of cannabis businesses in their jurisdictions, including ordinances imposing distance restrictions between licensed cannabis businesses in their jurisdiction.

Cannabis Social Equity Program.

Through the Cannabis Social Equity Program (Program), certain cannabis retailer, producer, and processor licenses are available to social equity applicants. Initially, the Program, created in 2020, was limited to the issuance or reissuance of cancelled cannabis retailer licenses or previously authorized but unissued cannabis retailer licenses. In 2023 the Legislature expanded the Program to make available cancelled cannabis producer and cannabis processor licenses to social equity applicants, and to authorize 52 additional new cannabis retailer licenses for issuance.

At the time of licensure, licenses issued through the Program may generally be located in any city, town, or county that allows the cannabis activity at the proposed location. However, the Liquor and Cannabis Board (LCB) is required to adopt rules establishing a threshold of the number of licenses in the Program that can be located in each county. Additionally, retail licenses available through the first round of licensing pursuant to the 2020 law are subject to more restrictive provisions related to initial license mobility than for new licenses available in future rounds of licensing in the Program under the 2023 law. For all licenses in the Program, after a license has been issued for a specific location, the location may not be moved to a different jurisdiction.

A first round of licensing in the Program was initiated in 2024 for a pool of cancelled or unissued cannabis retailer licenses. While several cannabis retailer licenses have been issued through the Program through the first round of licensing and have opened for business, other social equity applicants who received a preliminary letter of approval have been unable to secure a location or complete the licensing process to open for business. The LCB completed rulemaking updates to the Program effective in January 2025, which would govern a second and subsequent rounds of licensing through the Program.

Summary of Bill:

A city, town, or county is prohibited from requiring cannabis retailers licensed through the Program to locate more than 250 feet from the premises of any other licensed cannabis retailer.

Appropriation: None.

Fiscal Note: Available.

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