

SENATE BILL REPORT

SB 5758

As Reported by Senate Committee On:
Labor & Commerce, February 21, 2025

Title: An act relating to supporting social equity in the cannabis industry by establishing distance requirements for certain licensees.

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

Sponsors: Senators Saldaña and Nobles.

Brief History:

Committee Activity: Labor & Commerce: 2/18/25, 2/21/25 [DPS, DNP, w/oRec].

Brief Summary of First Substitute Bill

- Prohibits a city, town, or county from requiring retail cannabis premises when licensed under the Social Equity Program to locate more than 250 feet from the premises of any other cannabis retail license.

SENATE COMMITTEE ON LABOR & COMMERCE

Majority Report: That Substitute Senate Bill No. 5758 be substituted therefor, and the substitute bill do pass.

Signed by Senators Saldaña, Chair; Conway, Vice Chair; King, Ranking Member; Alvarado, Ramos and Stanford.

Minority Report: Do not pass.

Signed by Senator Schoesler.

Minority Report: That it be referred without recommendation.

Signed by Senator MacEwen.

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.

Staff: Marlon Llanes (786-7423)

Background: Cannabis Social Equity Program. The Cannabis Social Equity Program (program) is administered by the Liquor and Cannabis Board (LCB). The Legislature directed the creation of the program in 2020, which was developed with input from the Social Equity in Cannabis Task Force.

Through the program, certain cannabis retailer, producer, and processor licenses are available to social equity applicants. Initially, the program was limited to the issuance or reissuance of cancelled or unissued retailer licenses. In 2023, the Legislature expanded the program by, among other things, making cancelled producer and processor licenses available to social equity applicants. LCB was authorized to issue up to 100 processor licenses to social equity applicants, and up to ten producer licenses in conjunction with a processor license. An additional 52 new retailer licenses were also authorized and made available.

Distance Restrictions. LCB is prohibited from issuing a cannabis license for any premises within 1000 feet of the perimeter of the grounds of any of the following:

- elementary or secondary school;
- playground;
- recreation center or facility;
- childcare center;
- public park;
- public transit center;
- library; or
- certain game arcades.

Definitions. "Social equity applicant" means an applicant who has at least 51 percent ownership and control by one or more individuals who meet at least two of the following qualifications:

- lived in a disproportionately impacted area in Washington State for a minimum of five years between 1980 and 2010;
- has been arrested or convicted of a cannabis offense or has a family member who has been arrested or convicted of a cannabis offense;
- had a household income in the year prior to submitting a social equity application that was less than the median household income within the state of Washington as calculated by the United States Census Bureau; or
- is both a socially and economically disadvantaged individual as defined by the Office of Minority and Women's Business Enterprises under specified law.

Summary of Bill (First Substitute): A city, town, or county may not require retail cannabis premises when licensed under the program to locate more than 250 feet from the premises of any other cannabis retail license.

EFFECT OF CHANGES MADE BY LABOR & COMMERCE COMMITTEE (First Substitute):

- Strikes the provisions related to authorizing LCB to issue a cannabis license under the social equity program for any premises within 1000 feet but not less than 500 feet of specified locations.
- Prohibits a city, town, or county from requiring retail cannabis premises when licensed under the social equity program to locate more than 250 feet from the premises of any other cannabis retail license.

Appropriation: None.

Fiscal Note: Available.

Creates Committee/Commission/Task Force that includes Legislative members: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony on Original Bill: *The committee recommended a different version of the bill than what was heard.* PRO: Current zoning laws are hindering licensees under the Social Equity Program. It is difficult for people to find locations that are conducive to growing a business while also being appropriately distanced from playgrounds and schools. This problem is compounded in urban areas. This bill allows locals to decide buffer zones. This bill is very important to communities of color and will help stores open. A member of the public shared their personal experience about being a pioneer that was cut out of the cannabis market.

CON: Changing the zoning laws now would not be fair to existing cannabis retailers because it would allow competitors to secure more favorable locations that were not available to them. If the Legislature is considering a change to buffer zones, there should be a holistic discussion about the entire industry. A better alternative would be an interim analysis of the barriers to social equity businesses to help inform a more targeted approach in future legislation. This bill will not improve the social equity program.

OTHER: By allowing cannabis retailers to be closer to schools and playgrounds, this bill could unintentionally invite federal enforcement.

Persons Testifying: PRO: Senator Rebecca Saldaña, Prime Sponsor; Caitlein Ryan, THE CANNABIS ALLIANCE; Peter Manning, Black Excellence In Cannabis; Mike Asai, Black Excellence In Cannabis; Micah Sherman.

CON: Scott Waller, WASAVP - Washington Association for Substance misuse and Violence Prevention; Paula Sardinias, FMS Global Strategies; Rolando Rodriguez, Green Roads Cannabis; Vicki Christophersen, Washington CannaBusiness Association.

OTHER: TRENT MATSON, The Washington Cannabis Licensee Association.

Persons Signed In To Testify But Not Testifying: PRO: Jessica Pichardo, Canna Luz; Christy Stanley; Tone Harrell, Black Excellence in Cannabis.