
ENGROSSED HOUSE BILL 2681

State of Washington

69th Legislature

2026 Regular Session

By Representative Ormsby; by request of Office of Financial Management

Read first time 01/27/26. Referred to Committee on Appropriations.

1 AN ACT Relating to cannabis producer, processor, and retailer
2 license fees; and amending RCW 69.50.325.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

4 **Sec. 1.** RCW 69.50.325 and 2025 c 250 s 1 are each amended to
5 read as follows:

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

1 producer's license shall be (~~two hundred fifty dollars~~) \$250. The
2 annual fee for issuance and renewal of a cannabis producer's license
3 shall be (~~one thousand three hundred eighty one dollars~~) \$1,781. A
4 separate license shall be required for each location at which a
5 cannabis producer intends to produce cannabis.

6 (2) There shall be a cannabis processor's license to process,
7 package, and label cannabis concentrates, useable cannabis, and
8 cannabis-infused products for sale at wholesale to cannabis
9 processors and cannabis retailers, regulated by the board and subject
10 to annual renewal. The processing, packaging, possession, delivery,
11 distribution, and sale of cannabis, useable cannabis, cannabis-
12 infused products, and cannabis concentrates in accordance with the
13 provisions of this chapter and chapter 69.51A RCW and the rules
14 adopted to implement and enforce these chapters, by a validly
15 licensed cannabis processor, shall not be a criminal or civil offense
16 under Washington state law. Every cannabis processor's license shall
17 be issued in the name of the applicant, shall specify the location at
18 which the licensee intends to operate, which must be within the state
19 of Washington, and the holder thereof shall not allow any other
20 person to use the license. The application fee for a cannabis
21 processor's license shall be (~~two hundred fifty dollars~~) \$250. The
22 annual fee for issuance and renewal of a cannabis processor's license
23 shall be (~~one thousand three hundred eighty one dollars~~) \$1,781. A
24 separate license shall be required for each location at which a
25 cannabis processor intends to process cannabis.

26 (3)(a) There shall be a cannabis retailer's license to sell
27 cannabis concentrates, useable cannabis, and cannabis-infused
28 products at retail in retail outlets, regulated by the board and
29 subject to annual renewal. The possession, delivery, distribution,
30 and sale of cannabis concentrates, useable cannabis, and cannabis-
31 infused products in accordance with the provisions of this chapter
32 and the rules adopted to implement and enforce it, by a validly
33 licensed cannabis retailer, shall not be a criminal or civil offense
34 under Washington state law. Every cannabis retailer's license shall
35 be issued in the name of the applicant, shall specify the location of
36 the retail outlet the licensee intends to operate, which must be
37 within the state of Washington, and the holder thereof shall not
38 allow any other person to use the license. The application fee for a
39 cannabis retailer's license shall be (~~two hundred fifty dollars~~)
40 \$250. The annual fee for issuance and renewal of a cannabis

1 retailer's license shall be (~~one thousand three hundred eighty-one~~
2 ~~dollars~~) \$1,781. A separate license shall be required for each
3 location at which a cannabis retailer intends to sell cannabis
4 concentrates, useable cannabis, and cannabis-infused products.

5 (b) (i) An individual retail licensee and all other persons or
6 entities with a financial or other ownership interest in the business
7 operating under the license are limited, in the aggregate, to holding
8 a collective total of not more than five retail cannabis licenses.

9 (ii) A retail licensee and all other persons or entities with a
10 financial or other ownership interest may not enter into any
11 management agreement under RCW 69.50.331(1)(b)(iv) or any agreement
12 as referenced in RCW 69.50.395, whether or not in exchange for
13 payment, that confers a financial interest across more than five
14 retail cannabis licenses. For the purposes of this subsection,
15 "financial interest" includes, but is not limited to:

16 (A) Any sharing of profits or revenue;

17 (B) Any assistance, coordination, or recommendation for the
18 purchase of cannabis products whereupon pricing is coordinated or
19 discounted;

20 (C) The common use of intellectual property assets such as
21 branding, trade names, logos, social media accounts, or websites;

22 (D) Any operational control over the business or operational
23 support for typical day-to-day business operations, including core
24 business or executive functions of the retail cannabis license;

25 (E) Any sharing or coordination of marketing and advertising
26 efforts or expenses; and

27 (F) Any coordinated sharing of employment or hiring decisions,
28 including the shared employment of individuals.

29 (c) (i) A cannabis retailer's license is subject to forfeiture in
30 accordance with rules adopted by the board pursuant to this section.

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

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

38 (B) The board must require license forfeiture on or before
39 (~~twenty-four~~) 24 calendar months of license issuance if a cannabis
40 retailer is not fully operational and open to the public, unless the

1 board determines that circumstances out of the licensee's control are
2 preventing the licensee from becoming fully operational and that, in
3 the board's discretion, the circumstances warrant extending the
4 forfeiture period beyond (~~twenty-four~~) 24 calendar months.

5 (iii) The board has discretion in adopting rules under this
6 subsection (3)(c).

7 (iv) This subsection (3)(c) applies to cannabis retailer's
8 licenses issued before and after July 23, 2017. However, no license
9 of a cannabis 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 board may not require license forfeiture if the licensee
14 has been incapable of opening a fully operational retail cannabis
15 business due to actions by the city, town, or county with
16 jurisdiction over the licensee that include any of the following:

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

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

24 (d) The board may issue cannabis retailer licenses pursuant to
25 this chapter and RCW 69.50.335.

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