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**SUBSTITUTE SENATE BILL 5758**

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**State of Washington**

**69th Legislature**

**2025 Regular Session**

**By** Senate Labor & Commerce (originally sponsored by Senators Saldaña and Nobles)

READ FIRST TIME 02/21/25.

1 AN ACT Relating to supporting social equity in the cannabis  
2 industry by establishing distance requirements for certain licensees;  
3 and amending RCW 69.50.331.

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

5 **Sec. 1.** RCW 69.50.331 and 2023 c 220 s 2 are each amended to  
6 read as follows:

7 (1) For the purpose of considering any application for a license  
8 to produce, process, research, transport, or deliver cannabis,  
9 useable cannabis, cannabis concentrates, or cannabis-infused products  
10 subject to the regulations established under RCW 69.50.385, or sell  
11 cannabis, or for the renewal of a license to produce, process,  
12 research, transport, or deliver cannabis, useable cannabis, cannabis  
13 concentrates, or cannabis-infused products subject to the regulations  
14 established under RCW 69.50.385, or sell cannabis, the board must  
15 conduct a comprehensive, fair, and impartial evaluation of the  
16 applications timely received.

17 (a) The board may cause an inspection of the premises to be made,  
18 and may inquire into all matters in connection with the construction  
19 and operation of the premises. For the purpose of reviewing any  
20 application for a license and for considering the denial, suspension,  
21 revocation, cancellation, or renewal or denial thereof, of any

1 license, the board may consider any prior criminal arrests or  
2 convictions of the applicant, any public safety administrative  
3 violation history record with the board, and a criminal history  
4 record information check. The board may submit the criminal history  
5 record information check to the Washington state patrol and to the  
6 identification division of the federal bureau of investigation in  
7 order that these agencies may search their records for prior arrests  
8 and convictions of the individual or individuals who filled out the  
9 forms. The board must require fingerprinting of any applicant whose  
10 criminal history record information check is submitted to the federal  
11 bureau of investigation. The provisions of RCW 9.95.240 and of  
12 chapter 9.96A RCW do not apply to these cases. Subject to the  
13 provisions of this section, the board may, in its discretion, grant  
14 or deny the renewal or license applied for. Denial may be based on,  
15 without limitation, the existence of chronic illegal activity  
16 documented in objections submitted pursuant to subsections (7)(c) and  
17 (10) of this section. Authority to approve an uncontested or  
18 unopposed license may be granted by the board to any staff member the  
19 board designates in writing. Conditions for granting this authority  
20 must be adopted by rule.

21 (b) No license of any kind may be issued to:

22 (i) A person under the age of 21 years;

23 (ii) A person doing business as a sole proprietor who has not  
24 lawfully resided in the state for at least six months prior to  
25 applying to receive a license;

26 (iii) A partnership, employee cooperative, association, nonprofit  
27 corporation, or corporation unless formed under the laws of this  
28 state, and unless all of the members thereof are qualified to obtain  
29 a license as provided in this section; or

30 (iv) A person whose place of business is conducted by a manager  
31 or agent, unless the manager or agent possesses the same  
32 qualifications required of the licensee.

33 (2)(a) The board may, in its discretion, subject to RCW  
34 43.05.160, 69.50.563, 69.50.562, 69.50.334, and 69.50.342(3) suspend  
35 or cancel any license; and all protections of the licensee from  
36 criminal or civil sanctions under state law for producing,  
37 processing, researching, or selling cannabis, cannabis concentrates,  
38 useable cannabis, or cannabis-infused products thereunder must be  
39 suspended or terminated, as the case may be.

1 (b) The board must immediately suspend the license of a person  
2 who has been certified pursuant to RCW 74.20A.320 by the department  
3 of social and health services as a person who is not in compliance  
4 with a support order. If the person has continued to meet all other  
5 requirements for reinstatement during the suspension, reissuance of  
6 the license is automatic upon the board's receipt of a release issued  
7 by the department of social and health services stating that the  
8 licensee is in compliance with the order.

9 (c) The board may request the appointment of administrative law  
10 judges under chapter 34.12 RCW who shall have power to administer  
11 oaths, issue subpoenas for the attendance of witnesses and the  
12 production of papers, books, accounts, documents, and testimony,  
13 examine witnesses, receive testimony in any inquiry, investigation,  
14 hearing, or proceeding in any part of the state, and consider  
15 mitigating and aggravating circumstances in any case and deviate from  
16 any prescribed penalty, under rules the board may adopt.

17 (d) Witnesses must be allowed fees and mileage each way to and  
18 from any inquiry, investigation, hearing, or proceeding at the rate  
19 authorized by RCW 34.05.446. Fees need not be paid in advance of  
20 appearance of witnesses to testify or to produce books, records, or  
21 other legal evidence.

22 (e) In case of disobedience of any person to comply with the  
23 order of the board or a subpoena issued by the board, or any of its  
24 members, or administrative law judges, or on the refusal of a witness  
25 to testify to any matter regarding which he or she may be lawfully  
26 interrogated, the judge of the superior court of the county in which  
27 the person resides, on application of any member of the board or  
28 administrative law judge, compels obedience by contempt proceedings,  
29 as in the case of disobedience of the requirements of a subpoena  
30 issued from said court or a refusal to testify therein.

31 (3) Upon receipt of notice of the suspension or cancellation of a  
32 license, the licensee must forthwith deliver up the license to the  
33 board. Where the license has been suspended only, the board must  
34 return the license to the licensee at the expiration or termination  
35 of the period of suspension. The board must notify all other  
36 licensees in the county where the subject licensee has its premises  
37 of the suspension or cancellation of the license; and no other  
38 licensee or employee of another licensee may allow or cause any  
39 cannabis, cannabis concentrates, useable cannabis, or cannabis-

1 infused products to be delivered to or for any person at the premises  
2 of the subject licensee.

3 (4) Every license issued under this chapter is subject to all  
4 conditions and restrictions imposed by this chapter or by rules  
5 adopted by the board to implement and enforce this chapter. All  
6 conditions and restrictions imposed by the board in the issuance of  
7 an individual license must be listed on the face of the individual  
8 license along with the trade name, address, and expiration date.

9 (5) Every licensee must post and keep posted its license, or  
10 licenses, in a conspicuous place on the premises.

11 (6) No licensee may employ any person under the age of 21 years.

12 (7)(a) Before the board issues a new or renewed license to an  
13 applicant it must give notice of the application to the chief  
14 executive officer of the incorporated city or town, if the  
15 application is for a license within an incorporated city or town, or  
16 to the county legislative authority, if the application is for a  
17 license outside the boundaries of incorporated cities or towns, or to  
18 the tribal government if the application is for a license within  
19 Indian country, or to the port authority if the application for a  
20 license is located on property owned by a port authority.

21 (b) The incorporated city or town through the official or  
22 employee selected by it, the county legislative authority or the  
23 official or employee selected by it, the tribal government, or port  
24 authority has the right to file with the board within twenty days  
25 after the date of transmittal of the notice for applications, or at  
26 least thirty days prior to the expiration date for renewals, written  
27 objections against the applicant or against the premises for which  
28 the new or renewed license is asked. The board may extend the time  
29 period for submitting written objections upon request from the  
30 authority notified by the board.

31 (c) The written objections must include a statement of all facts  
32 upon which the objections are based, and in case written objections  
33 are filed, the city or town or county legislative authority may  
34 request, and the board may in its discretion hold, a hearing subject  
35 to the applicable provisions of Title 34 RCW. If the board makes an  
36 initial decision to deny a license or renewal based on the written  
37 objections of an incorporated city or town or county legislative  
38 authority, the applicant may request a hearing subject to the  
39 applicable provisions of Title 34 RCW. If a hearing is held at the

1 request of the applicant, board representatives must present and  
2 defend the board's initial decision to deny a license or renewal.

3 (d) Upon the granting of a license under this title the board  
4 must send written notification to the chief executive officer of the  
5 incorporated city or town in which the license is granted, or to the  
6 county legislative authority if the license is granted outside the  
7 boundaries of incorporated cities or towns.

8 (8)(a) Except as provided in (b) through (e) of this subsection,  
9 the board may not issue a license for any premises within 1,000 feet  
10 of the perimeter of the grounds of any elementary or secondary  
11 school, playground, recreation center or facility, child care center,  
12 public park, public transit center, or library, or any game arcade  
13 admission to which is not restricted to persons aged 21 years or  
14 older.

15 (b) A city, county, or town may permit the licensing of premises  
16 within 1,000 feet but not less than 100 feet of the facilities  
17 described in (a) of this subsection, except elementary schools,  
18 secondary schools, and playgrounds, by enacting an ordinance  
19 authorizing such distance reduction, provided that such distance  
20 reduction will not negatively impact the jurisdiction's civil  
21 regulatory enforcement, criminal law enforcement interests, public  
22 safety, or public health.

23 (c) A city, county, or town may permit the licensing of research  
24 premises allowed under RCW 69.50.372 within 1,000 feet but not less  
25 than 100 feet of the facilities described in (a) of this subsection  
26 by enacting an ordinance authorizing such distance reduction,  
27 provided that the ordinance will not negatively impact the  
28 jurisdiction's civil regulatory enforcement, criminal law  
29 enforcement, public safety, or public health.

30 (d) The board may license premises located in compliance with the  
31 distance requirements set in an ordinance adopted under (b) or (c) of  
32 this subsection. Before issuing or renewing a research license for  
33 premises within 1,000 feet but not less than 100 feet of an  
34 elementary school, secondary school, or playground in compliance with  
35 an ordinance passed pursuant to (c) of this subsection, the board  
36 must ensure that the facility:

37 (i) Meets a security standard exceeding that which applies to  
38 cannabis producer, processor, or retailer licensees;

39 (ii) Is inaccessible to the public and no part of the operation  
40 of the facility is in view of the general public; and

1 (iii) Bears no advertising or signage indicating that it is a  
2 cannabis research facility.

3 (e) The board must issue a certificate of compliance if the  
4 premises met the requirements under (a), (b), (c), or (d) of this  
5 subsection on the date of the application. The certificate allows the  
6 licensee to operate the business at the proposed location  
7 notwithstanding a later occurring, otherwise disqualifying factor.

8 (f) The board may not issue a license for any premises within  
9 Indian country, as defined in 18 U.S.C. Sec. 1151, including any fee  
10 patent lands within the exterior boundaries of a reservation, without  
11 the consent of the federally recognized tribe associated with the  
12 reservation or Indian country.

13 (g) A city, town, or county may not require retail cannabis  
14 premises when licensed under RCW 69.50.335(1) to locate more than 250  
15 feet from the premises of any other cannabis retail license.

16 (9) A city, town, or county may adopt an ordinance prohibiting a  
17 cannabis producer or cannabis processor from operating or locating a  
18 business within areas zoned primarily for residential use or rural  
19 use with a minimum lot size of five acres or smaller.

20 (10) In determining whether to grant or deny a license or renewal  
21 of any license, the board must give substantial weight to objections  
22 from an incorporated city or town or county legislative authority  
23 based upon chronic illegal activity associated with the applicant's  
24 operations of the premises proposed to be licensed or the applicant's  
25 operation of any other licensed premises, or the conduct of the  
26 applicant's patrons inside or outside the licensed premises. "Chronic  
27 illegal activity" means (a) a pervasive pattern of activity that  
28 threatens the public health, safety, and welfare of the city, town,  
29 or county including, but not limited to, open container violations,  
30 assaults, disturbances, disorderly conduct, or other criminal law  
31 violations, or as documented in crime statistics, police reports,  
32 emergency medical response data, calls for service, field data, or  
33 similar records of a law enforcement agency for the city, town,  
34 county, or any other municipal corporation or any state agency; or  
35 (b) an unreasonably high number of citations for violations of RCW  
36 46.61.502 associated with the applicant's or licensee's operation of  
37 any licensed premises as indicated by the reported statements given  
38 to law enforcement upon arrest.

39 (11) The board may not issue a cannabis retail license for any  
40 premises not currently licensed if:

1 (a) The board receives a written objection from the legislative  
2 authority of an incorporated city or town, or county legislative  
3 authority, relating to the physical location of the proposed  
4 premises;

5 (b) The objection to the location from the incorporated city or  
6 town, or county legislative authority, is received by the board  
7 within 20 days of the board notifying the incorporated city or town,  
8 or county legislative authority, of the proposed cannabis retail  
9 location; and

10 (c) The objection to the issuance of a cannabis retail license at  
11 the specified location is based on a preexisting local ordinance  
12 limiting outlet density in a specific geographic area. For purposes  
13 of this subsection (11), a preexisting local ordinance is an  
14 ordinance enacted and in effect before the date the applicant submits  
15 an application for a cannabis retail license to the board identifying  
16 the premises proposed to be licensed. No objection related to the  
17 physical location of a proposed premises may be made by a local  
18 government under this subsection (11) based on a local ordinance  
19 enacted after the date the applicant submits an application for a  
20 cannabis retail license to the board identifying the premises  
21 proposed to be licensed.

22 (12) After January 1, 2024, all cannabis licensees are encouraged  
23 but are not required to submit a social equity plan to the board.  
24 Upon confirmation by the board that a cannabis licensee who is not a  
25 social equity applicant, and who does not hold a social equity  
26 license issued under RCW 69.50.335, has submitted a social equity  
27 plan, the board must within 30 days reimburse such a licensee an  
28 amount equal to the cost of the licensee's annual cannabis license  
29 renewal fee. The license renewal fee reimbursement authorized under  
30 this subsection is subject to the following limitations:

31 (a) The board may provide reimbursement one time only to any  
32 licensed entity; and

33 (b) Any licensed entity holding more than one cannabis license is  
34 eligible for reimbursement of the license renewal fee on only one  
35 license.

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