



Washington State Liquor and Cannabis Board

Bill Description: Limiting financial interest agreements for licensed cannabis retailers

Bill Number: ESSB 5403

Sponsor: Sen. Rebecca Saldaña

Effective Date: Jan. 1, 2026

Amends: RCW 69.50.325; creates a new section

Background: State law limits the number of retail cannabis licenses a person may own or have an ownership stake in to five. Those with retail licenses may not hold an ownership stake in a producer or processor licensed business.

Retailers may contract with other businesses for a variety of business services, to include branding and intellectual property. More than five stores can hire a purchaser who would negotiate pricing with producers and processors of cannabis, just as they can hire an accountant to do the books for a group of more than five retailers. However, they may not offer a share of profits or an ownership stake as part of such contracts.

Summary: The practice of using management agreements to allow more than five cannabis retailers to share many aspects of their business – from coordinated purchasing, using the same trade name and branding, social media management, hiring and staffing decisions, or overall management of the retail store – is prohibited. This prohibition extends to cases where there is no written agreement or payment exchanged.