



## **CR 101 Memorandum**

### **Creating a Certificate of Compliance for Marijuana Businesses**

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#### **Background**

The Washington State Liquor and Cannabis Board (Board) is generally prohibited from issuing a marijuana license for any premises within 1000 feet of an elementary or secondary school, playground, recreation center, child care center, public park, public transit center, library, or game arcade admission that is not restricted to a person age 21 or older.

A local government may adopt an ordinance that reduces the 1000-foot buffer zone to not less than 100 feet of a recreation center, child care center, public park, public transit center, library, or game arcade admission that is not restricted to a person age 21 or older. The Board may issue a license to marijuana producers, processors, transporters, and retailers in compliance with a local distance-reduction ordinance, so long as the distance reduction will not negatively impact the jurisdiction's civil regulatory enforcement, criminal law enforcement interests, public safety, or public health.

A local government may adopt an ordinance that reduces the 1000-foot buffer zone to not less than 100 feet of all of the above listed entities/facilities for the purpose of licensing a marijuana research facility. However, the distance reduction must not negatively impact the jurisdiction's civil regulatory enforcement, criminal law enforcement interests, public safety, or public health. Before issuing or renewing a marijuana research license for a premises located within 1000 feet, but not less than 100 feet of an elementary school, secondary school, or playground in compliance with a local distance-reduction ordinance, the Board must ensure the facility meets the following requirements:

- the facility must meet a security standard exceeding the standard applicable to marijuana producer, processor, or retailer licensees;
- the facility must be inaccessible to the public and no part of the operation of the facility may be in view of the general public; and
- the facility may bear no advertising or signage indicating it is a marijuana research facility.

#### **Reasons why rules may be needed:**

Substitute Senate Bill 6206 (Chapter 154, Laws of 2020) amended RCW 69.50.331 to create a certificate of compliance for marijuana business premises and became effective June 11, 2020. The amendment requires that the Board

must issue a certificate of compliance for a marijuana business applicant's premises, if the premises met the statutory buffer zone requirements at the time the application was filed. The certificate allows the licensee to operate the business at the proposed location notwithstanding a later occurring, otherwise disqualifying factor. This certificate is not a license to produce, process, research, or sell marijuana at the location. All other marijuana licensing requirements must be met in order to receive a license or to continue operating under an existing license.

The legislation was designed to prevent a competitor from opening a business that would disqualify another marijuana entity's license application. During legislative testimony, it was noted that this situation has occurred with some frequency, after an applicant had spent the money to secure a lease, and a competitor moved a business (such as an arcade business) next door, violating the zoning restrictions for the new applicant. The legislation provides certainty for applicants with considerable investment in their businesses who are waiting for completion of the Board's license approval process.

Rules are needed to implement the requirements of the legislation.

## **Process**

The rule making process begins by announcing the Board's intent to consider changes to existing rules, adding new rule sections, or both by filing a CR 101 form with the Office of the Code Reviser. This allows staff, stakeholders, industry partners, and all members of the authorizing environment to begin discussing proposed rule changes. At the CR 101 stage of the rulemaking process, no proposed language is offered. Any interested party may comment on the subject of this possible rulemaking during the designated comment period. Notice will be sent to all who have indicated that they want to receive notice of rule activity pertaining to this preproposal inquiry. The notice will identify the public comment period and where comments can be sent.