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**BILL REQUEST - CODE REVISER'S OFFICE**

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BILL REQ. #: Z-0571.2/19 2nd draft

ATTY/TYPIST: KB:lel

BRIEF DESCRIPTION: Allowing certain marijuana producers to engage in the sale of marijuana.

1       AN ACT Relating to allowing certain marijuana producers to engage  
2 in the retail sale of marijuana; amending RCW 69.50.328, 69.50.345,  
3 69.50.366, and 69.50.369; reenacting and amending RCW 69.50.345;  
4 adding new sections to chapter 69.50 RCW; creating a new section;  
5 providing an effective date; and providing an expiration date.

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

7       NEW SECTION.   **Sec. 1.**   (1) The legislature finds that it enacted  
8 legislation in 2015 to close unregulated medical marijuana  
9 dispensaries and merge the unregulated medical and tightly-regulated  
10 recreational marijuana markets by July 2016. Available evidence  
11 suggests that medical marijuana products, also known as department of  
12 health-compliant products, are not widely or readily available in the  
13 retail marketplace, despite a number of provisions included in the  
14 2015 legislation to provide access to medical marijuana products.  
15 Reasonable access to medical marijuana for qualifying patients across  
16 the state is needed; regulatory changes in the marijuana industry are  
17 also needed in order to expand production and available inventories  
18 of medical marijuana products.

19       (2) The legislature further finds that in order for the marijuana  
20 industry to continue to grow and remain strong, production must  
21 remain viable for a wide array of producers. State laws and rules

1 must ensure small-scale producers have a reasonable opportunity to  
2 remain in business and offer a diverse range of high-quality products  
3 for qualifying patients and other consumers. While sharp declines in  
4 marijuana prices have presented a challenge to many producers in the  
5 industry, small producers are especially impacted by low prices and  
6 the lack of opportunity to achieve economies of scale in their  
7 operations.

8 (3) The legislature therefore intends to provide expanded access  
9 to medical marijuana while simultaneously creating new avenues for  
10 small scale marijuana producers to make their businesses more  
11 sustainable through better meeting the needs of patients.

12 **Sec. 2.** RCW 69.50.328 and 2013 c 3 s 5 are each amended to read  
13 as follows:

14 Except as provided in section 3 of this act, neither a licensed  
15 marijuana producer nor a licensed marijuana processor shall have a  
16 direct or indirect financial interest in a licensed marijuana  
17 retailer.

18 NEW SECTION. **Sec. 3.** A new section is added to chapter 69.50  
19 RCW to read as follows:

20 (1) A retail privilege endorsement to a marijuana producer  
21 license is hereby established to permit marijuana producers who  
22 operate a plant canopy of less than two thousand square feet to  
23 engage in the retail sale of marijuana as provided in this section  
24 and section 4 of this act. A marijuana producer may only hold one  
25 retail privilege endorsement.

26 (2)(a) Retail privilege endorsement holders must meet all  
27 marijuana retailer requirements under this chapter and be in  
28 compliance with city, town, or county zoning and permit requirements.

29 (b) Endorsement holders who are marijuana producers may sell  
30 products they are authorized to produce under RCW 69.50.325(1) and  
31 endorsement holders who are marijuana producers and marijuana  
32 processors may sell products they are authorized to process, package,  
33 and label under RCW 69.50.325(2).

34 (c) Marijuana products for sale by the retail privilege  
35 endorsement holder must meet department requirements for sale to  
36 qualifying patients or designated providers as provided under RCW  
37 69.50.375(4).

(3) Retail privilege endorsement holders must hold, or employ a person who holds, a medical marijuana consultant certificate under RCW 69.51A.290. The medical marijuana consultant must be on the retail premises when retail sales are being conducted.

(4) The retail location of the retail privilege endorsement must be at least three miles from:

(a) Any retail outlet in operation as of January 1, 2020;

(b) Any retail outlet operated by a tribal government under a marijuana compact; and

(c) A location where a tribal government intends to conduct retail sales of marijuana products if the tribal government has a marijuana compact and has notified the board by January 1, 2020, of its intent.

NEW SECTION. **Sec. 4.** A new section is added to chapter 69.50 RCW to read as follows:

(1) A home delivery endorsement is established to allow a retail privilege endorsement holder to deliver marijuana products to customers as provided in this subsection.

(a) Marijuana products delivered under a home delivery endorsement must meet department requirements for sale to qualifying patients or designated providers as provided under RCW 69.50.375(4).

(b) Home delivery endorsement holders must hold, or employ a person holding, a medical marijuana consultant certificate under RCW 69.51A.290.

(c) Home delivery endorsement holders must meet all requirements established by the board in rule.

(2) A shared retail outlet endorsement is established to allow multiple retail privilege endorsement holders to conduct retail sales at one common retail location.

(a) Each retail privilege endorsement holder conducting retail sales at one common location must apply for and hold a shared retail endorsement.

(b) Common retail locations may not be open for retail sales on more than two days a month.

(c) Common retail locations must be approved by the relevant city, town, or county or, in the case of tribal retail locations, by the relevant tribal government.

(d) Common retail locations must be in compliance with RCW 69.50.331 (7) and (8).

1 (e) Common retail locations must be in compliance with rules  
2 adopted for the operation of retail outlets under RCW 69.50.342. The  
3 board may adopt rules providing for increased security requirements  
4 if necessary for the common retail location.

5 (f) Marijuana products for sale at the common retail location  
6 must meet department requirements for sale to qualifying patients or  
7 designated providers as provided under RCW 69.50.375(4).

8 (g) A medical marijuana consultant certificate holder must be on  
9 the premises during all times in which the common retail location is  
10 open for the conduct of retail transactions.

11 (h) Each shared retail outlet endorsement holder is subject to  
12 enforcement action by the board for violations on the common retail  
13 location if a single responsible party cannot be identified.

14 NEW SECTION. **Sec. 5.** A new section is added to chapter 69.50  
15 RCW to read as follows:

16 The liquor and cannabis board must adopt rules to implement  
17 sections 3 and 4 of this act. These rules must include:

18 (1) Application forms and application periods for the retail  
19 privilege endorsement, the home delivery endorsement, and the shared  
20 retail outlet endorsement;

21 (2) Fees, including any application fees and renewal fees, for  
22 the retail privilege endorsement, the home delivery endorsement, and  
23 the shared retail outlet endorsement;

24 (3) Additional requirements necessary to implement the  
25 endorsements and retail sales provisions;

26 (4) The operating hours of the common retail locations operated  
27 by shared retail outlet endorsement holders;

28 (5) Other requirements necessary to implement sections 3 and 4 of  
29 this act.

30 **Sec. 6.** RCW 69.50.345 and 2019 c 393 s 2 are each amended to  
31 read as follows:

32 The state liquor and cannabis board, subject to the provisions of  
33 this chapter, must adopt rules that establish the procedures and  
34 criteria necessary to implement the following:

35 (1) Licensing of marijuana producers, marijuana processors, and  
36 marijuana retailers, including prescribing forms and establishing  
37 application, reinstatement, and renewal fees.

1 (a) Application forms for marijuana producers must request the  
2 applicant to state whether the applicant intends to produce marijuana  
3 for sale by marijuana retailers holding medical marijuana  
4 endorsements and the amount of or percentage of canopy the applicant  
5 intends to commit to growing plants determined by the department  
6 under RCW 69.50.375 to be of a THC concentration, CBD concentration,  
7 or THC to CBD ratio appropriate for marijuana concentrates, useable  
8 marijuana, or marijuana-infused products sold to qualifying patients.

9 (b) The state liquor and cannabis board must reconsider and  
10 increase limits on the amount of square feet permitted to be in  
11 production on July 24, 2015, and increase the percentage of  
12 production space for those marijuana producers who intend to grow  
13 plants for marijuana retailers holding medical marijuana endorsements  
14 if the marijuana producer designates the increased production space  
15 to plants determined by the department under RCW 69.50.375 to be of a  
16 THC concentration, CBD concentration, or THC to CBD ratio appropriate  
17 for marijuana concentrates, useable marijuana, or marijuana-infused  
18 products to be sold to qualifying patients. If current marijuana  
19 producers do not use all the increased production space, the state  
20 liquor and cannabis board may reopen the license period for new  
21 marijuana producer license applicants but only to those marijuana  
22 producers who agree to grow plants for marijuana retailers holding  
23 medical marijuana endorsements. Priority in licensing must be given  
24 to marijuana producer license applicants who have an application  
25 pending on July 24, 2015, but who are not yet licensed and then to  
26 new marijuana producer license applicants. After January 1, 2017, any  
27 reconsideration of the limits on the amount of square feet permitted  
28 to be in production to meet the medical needs of qualifying patients  
29 must consider information contained in the medical marijuana  
30 authorization database established in RCW 69.51A.230;

31 (2) Determining, in consultation with the office of financial  
32 management, the maximum number of retail outlets that may be licensed  
33 in each county, taking into consideration:

34 (a) Population distribution;

35 (b) Security and safety issues;

36 (c) The provision of adequate access to licensed sources of  
37 marijuana concentrates, useable marijuana, and marijuana-infused  
38 products to discourage purchases from the illegal market; and

39 (d) The number of retail outlets holding medical marijuana  
40 endorsements necessary to meet the medical needs of qualifying

1 patients. (~~The state liquor and cannabis board must reconsider and~~  
2 ~~increase the maximum number of retail outlets it established before~~  
3 ~~July 24, 2015, and allow for a new license application period and a~~  
4 ~~greater number of retail outlets to be permitted in order to~~  
5 ~~accommodate the medical needs of qualifying patients and designated~~  
6 ~~providers. After January 1, 2017,)~~) Any reconsideration of the  
7 maximum number of retail outlets needed to meet the medical needs of  
8 qualifying patients must consider information contained in the  
9 medical marijuana authorization database established in RCW  
10 69.51A.230;

11 (3) Determining the maximum quantity of marijuana a marijuana  
12 producer may have on the premises of a licensed location at any time  
13 without violating Washington state law;

14 (4) Determining the maximum quantities of marijuana, marijuana  
15 concentrates, useable marijuana, and marijuana-infused products a  
16 marijuana processor may have on the premises of a licensed location  
17 at any time without violating Washington state law;

18 (5) Determining the maximum quantities of marijuana concentrates,  
19 useable marijuana, and marijuana-infused products a marijuana  
20 retailer may have on the premises of a retail outlet at any time  
21 without violating Washington state law;

22 (6) In making the determinations required by this section, the  
23 state liquor and cannabis board shall take into consideration:

24 (a) Security and safety issues;

25 (b) The provision of adequate access to licensed sources of  
26 marijuana, marijuana concentrates, useable marijuana, and marijuana-  
27 infused products to discourage purchases from the illegal market; and

28 (c) Economies of scale, and their impact on licensees' ability to  
29 both comply with regulatory requirements and undercut illegal market  
30 prices;

31 (7) Determining the nature, form, and capacity of all containers  
32 to be used by licensees to contain marijuana, marijuana concentrates,  
33 useable marijuana, and marijuana-infused products, and their labeling  
34 requirements;

35 (8) In consultation with the department of agriculture and the  
36 department, establishing classes of marijuana, marijuana  
37 concentrates, useable marijuana, and marijuana-infused products  
38 according to grade, condition, cannabinoid profile, THC  
39 concentration, CBD concentration, or other qualitative measurements  
40 deemed appropriate by the state liquor and cannabis board;

1 (9) Establishing reasonable time, place, and manner restrictions  
2 and requirements regarding advertising of marijuana, marijuana  
3 concentrates, useable marijuana, and marijuana-infused products that  
4 are not inconsistent with the provisions of this chapter, taking into  
5 consideration:

6 (a) Federal laws relating to marijuana that are applicable within  
7 Washington state;

8 (b) Minimizing exposure of people under twenty-one years of age  
9 to the advertising;

10 (c) The inclusion of medically and scientifically accurate  
11 information about the health and safety risks posed by marijuana use  
12 in the advertising; and

13 (d) Ensuring that retail outlets with medical marijuana  
14 endorsements and retail privilege endorsement holders may advertise  
15 themselves as medical retail outlets;

16 (10) Specifying and regulating the time and periods when, and the  
17 manner, methods, and means by which, licensees shall transport and  
18 deliver marijuana, marijuana concentrates, useable marijuana, and  
19 marijuana-infused products within the state;

20 (11) In consultation with the department and the department of  
21 agriculture, establishing accreditation requirements for testing  
22 laboratories used by licensees to demonstrate compliance with  
23 standards adopted by the state liquor and cannabis board, and  
24 prescribing methods of producing, processing, and packaging  
25 marijuana, marijuana concentrates, useable marijuana, and marijuana-  
26 infused products; conditions of sanitation; and standards of  
27 ingredients, quality, and identity of marijuana, marijuana  
28 concentrates, useable marijuana, and marijuana-infused products  
29 produced, processed, packaged, or sold by licensees;

30 (12) Specifying procedures for identifying, seizing,  
31 confiscating, destroying, and donating to law enforcement for  
32 training purposes all marijuana, marijuana concentrates, useable  
33 marijuana, and marijuana-infused products produced, processed,  
34 packaged, labeled, or offered for sale in this state that do not  
35 conform in all respects to the standards prescribed by this chapter  
36 or the rules of the state liquor and cannabis board.

37 **Sec. 7.** RCW 69.50.345 and 2019 c 393 s 2 and 2019 c 277 s 6 are  
38 each reenacted and amended to read as follows:



1 The state liquor and cannabis board, subject to the provisions of  
2 this chapter, must adopt rules that establish the procedures and  
3 criteria necessary to implement the following:

4 (1) Licensing of marijuana producers, marijuana processors, and  
5 marijuana retailers, including prescribing forms and establishing  
6 application, reinstatement, and renewal fees.

7 (a) Application forms for marijuana producers must request the  
8 applicant to state whether the applicant intends to produce marijuana  
9 for sale by marijuana retailers holding medical marijuana  
10 endorsements and the amount of or percentage of canopy the applicant  
11 intends to commit to growing plants determined by the department  
12 under RCW 69.50.375 to be of a THC concentration, CBD concentration,  
13 or THC to CBD ratio appropriate for marijuana concentrates, useable  
14 marijuana, or marijuana-infused products sold to qualifying patients.

15 (b) The state liquor and cannabis board must reconsider and  
16 increase limits on the amount of square feet permitted to be in  
17 production on July 24, 2015, and increase the percentage of  
18 production space for those marijuana producers who intend to grow  
19 plants for marijuana retailers holding medical marijuana endorsements  
20 if the marijuana producer designates the increased production space  
21 to plants determined by the department under RCW 69.50.375 to be of a  
22 THC concentration, CBD concentration, or THC to CBD ratio appropriate  
23 for marijuana concentrates, useable marijuana, or marijuana-infused  
24 products to be sold to qualifying patients. If current marijuana  
25 producers do not use all the increased production space, the state  
26 liquor and cannabis board may reopen the license period for new  
27 marijuana producer license applicants but only to those marijuana  
28 producers who agree to grow plants for marijuana retailers holding  
29 medical marijuana endorsements. Priority in licensing must be given  
30 to marijuana producer license applicants who have an application  
31 pending on July 24, 2015, but who are not yet licensed and then to  
32 new marijuana producer license applicants. After January 1, 2017, any  
33 reconsideration of the limits on the amount of square feet permitted  
34 to be in production to meet the medical needs of qualifying patients  
35 must consider information contained in the medical marijuana  
36 authorization database established in RCW 69.51A.230;

37 (2) Determining, in consultation with the office of financial  
38 management, the maximum number of retail outlets that may be licensed  
39 in each county, taking into consideration:

40 (a) Population distribution;

1 (b) Security and safety issues;

2 (c) The provision of adequate access to licensed sources of  
3 marijuana concentrates, useable marijuana, and marijuana-infused  
4 products to discourage purchases from the illegal market; and

5 (d) The number of retail outlets holding medical marijuana  
6 endorsements necessary to meet the medical needs of qualifying  
7 patients. ~~((The state liquor and cannabis board must reconsider and  
8 increase the maximum number of retail outlets it established before  
9 July 24, 2015, and allow for a new license application period and a  
10 greater number of retail outlets to be permitted in order to  
11 accommodate the medical needs of qualifying patients and designated  
12 providers. After January 1, 2017,))~~ Any reconsideration of the  
13 maximum number of retail outlets needed to meet the medical needs of  
14 qualifying patients must consider information contained in the  
15 medical marijuana authorization database established in RCW  
16 69.51A.230;

17 (3) Determining the maximum quantity of marijuana a marijuana  
18 producer may have on the premises of a licensed location at any time  
19 without violating Washington state law;

20 (4) Determining the maximum quantities of marijuana, marijuana  
21 concentrates, useable marijuana, and marijuana-infused products a  
22 marijuana processor may have on the premises of a licensed location  
23 at any time without violating Washington state law;

24 (5) Determining the maximum quantities of marijuana concentrates,  
25 useable marijuana, and marijuana-infused products a marijuana  
26 retailer may have on the premises of a retail outlet at any time  
27 without violating Washington state law;

28 (6) In making the determinations required by this section, the  
29 state liquor and cannabis board shall take into consideration:

30 (a) Security and safety issues;

31 (b) The provision of adequate access to licensed sources of  
32 marijuana, marijuana concentrates, useable marijuana, and marijuana-  
33 infused products to discourage purchases from the illegal market; and

34 (c) Economies of scale, and their impact on licensees' ability to  
35 both comply with regulatory requirements and undercut illegal market  
36 prices;

37 (7) Determining the nature, form, and capacity of all containers  
38 to be used by licensees to contain marijuana, marijuana concentrates,  
39 useable marijuana, and marijuana-infused products, and their labeling  
40 requirements;

1 (8) In consultation with the department of agriculture and the  
2 department, establishing classes of marijuana, marijuana  
3 concentrates, useable marijuana, and marijuana-infused products  
4 according to grade, condition, cannabinoid profile, THC  
5 concentration, CBD concentration, or other qualitative measurements  
6 deemed appropriate by the state liquor and cannabis board;

7 (9) Establishing reasonable time, place, and manner restrictions  
8 and requirements regarding advertising of marijuana, marijuana  
9 concentrates, useable marijuana, and marijuana-infused products that  
10 are not inconsistent with the provisions of this chapter, taking into  
11 consideration:

12 (a) Federal laws relating to marijuana that are applicable within  
13 Washington state;

14 (b) Minimizing exposure of people under twenty-one years of age  
15 to the advertising;

16 (c) The inclusion of medically and scientifically accurate  
17 information about the health and safety risks posed by marijuana use  
18 in the advertising; and

19 (d) Ensuring that retail outlets with medical marijuana  
20 endorsements and retail privilege endorsement holders may advertise  
21 themselves as medical retail outlets;

22 (10) Specifying and regulating the time and periods when, and the  
23 manner, methods, and means by which, licensees shall transport and  
24 deliver marijuana, marijuana concentrates, useable marijuana, and  
25 marijuana-infused products within the state;

26 (11) In consultation with the department and the department of  
27 agriculture, prescribing methods of producing, processing, and  
28 packaging marijuana, marijuana concentrates, useable marijuana, and  
29 marijuana-infused products; conditions of sanitation; and standards  
30 of ingredients, quality, and identity of marijuana, marijuana  
31 concentrates, useable marijuana, and marijuana-infused products  
32 produced, processed, packaged, or sold by licensees;

33 (12) Specifying procedures for identifying, seizing,  
34 confiscating, destroying, and donating to law enforcement for  
35 training purposes all marijuana, marijuana concentrates, useable  
36 marijuana, and marijuana-infused products produced, processed,  
37 packaged, labeled, or offered for sale in this state that do not  
38 conform in all respects to the standards prescribed by this chapter  
39 or the rules of the state liquor and cannabis board.

1       **Sec. 8.** RCW 69.50.366 and 2017 c 317 s 6 are each amended to  
2 read as follows:

3       The following acts, when performed by a validly licensed  
4 marijuana producer or employee of a validly licensed marijuana  
5 producer in compliance with rules adopted by the state liquor and  
6 cannabis board to implement and enforce this chapter, do not  
7 constitute criminal or civil offenses under Washington state law:

8       (1) Production or possession of quantities of marijuana that do  
9 not exceed the maximum amounts established by the state liquor and  
10 cannabis board under RCW 69.50.345(3);

11       (2) Delivery, distribution, and sale of marijuana to a marijuana  
12 processor or another marijuana producer validly licensed under this  
13 chapter;

14       (3) Delivery, distribution, and sale of immature plants or clones  
15 and marijuana seeds to a licensed marijuana researcher, and to  
16 receive or purchase immature plants or clones and seeds from a  
17 licensed marijuana researcher; ~~((and))~~

18       (4) Delivery, distribution, and sale of marijuana or useable  
19 marijuana to a federally recognized Indian tribe as permitted under  
20 an agreement between the state and the tribe entered into under RCW  
21 43.06.490; and

22       (5) Delivery, distribution, and sale of marijuana products under  
23 sections 3 and 4 of this act.

24       **Sec. 9.** RCW 69.50.369 and 2017 c 317 s 14 are each amended to  
25 read as follows:

26       (1) No licensed marijuana producer, processor, researcher, or  
27 retailer may place or maintain, or cause to be placed or maintained,  
28 any sign or other advertisement for a marijuana business or marijuana  
29 product, including useable marijuana, marijuana concentrates, or  
30 marijuana-infused product, in any form or through any medium  
31 whatsoever within one thousand feet of the perimeter of a school  
32 grounds, playground, recreation center or facility, child care  
33 center, public park, or library, or any game arcade admission to  
34 which is not restricted to persons aged twenty-one years or older.

35       (2) Except for the use of billboards as authorized under this  
36 section or as provided in rule for common retail locations under  
37 section 4 of this act, licensed marijuana retailers may not display  
38 any signage outside of the licensed premises, other than two signs  
39 identifying the retail outlet by the licensee's business or trade

1 name, stating the location of the business, and identifying the  
2 nature of the business. Each sign must be no larger than one thousand  
3 six hundred square inches and be permanently affixed to a building or  
4 other structure. The location and content of the retail marijuana  
5 signs authorized under this subsection are subject to all other  
6 requirements and restrictions established in this section for indoor  
7 signs, outdoor signs, and other marijuana-related advertising  
8 methods.

9 (3) A marijuana licensee may not utilize transit advertisements  
10 for the purpose of advertising its business or product line. "Transit  
11 advertisements" means advertising on or within private or public  
12 vehicles and all advertisements placed at, on, or within any bus  
13 stop, taxi stand, transportation waiting area, train station,  
14 airport, or any similar transit-related location.

15 (4) A marijuana licensee may not engage in advertising or other  
16 marketing practice that specifically targets persons residing outside  
17 of the state of Washington.

18 (5) All signs, billboards, or other print advertising for  
19 marijuana businesses or marijuana products must contain text stating  
20 that marijuana products may be purchased or possessed only by persons  
21 twenty-one years of age or older.

22 (6) A marijuana licensee may not:

23 (a) Take any action, directly or indirectly, to target youth in  
24 the advertising, promotion, or marketing of marijuana and marijuana  
25 products, or take any action the primary purpose of which is to  
26 initiate, maintain, or increase the incidence of youth use of  
27 marijuana or marijuana products;

28 (b) Use objects such as toys or inflatables, movie or cartoon  
29 characters, or any other depiction or image likely to be appealing to  
30 youth, where such objects, images, or depictions indicate an intent  
31 to cause youth to become interested in the purchase or consumption of  
32 marijuana products; or

33 (c) Use or employ a commercial mascot outside of, and in  
34 proximity to, a licensed marijuana business. A "commercial mascot"  
35 means live human being, animal, or mechanical device used for  
36 attracting the attention of motorists and passersby so as to make  
37 them aware of marijuana products or the presence of a marijuana  
38 business. Commercial mascots include, but are not limited to,  
39 inflatable tube displays, persons in costume, or wearing, holding, or  
40 spinning a sign with a marijuana-related commercial message or image,

1 where the intent is to draw attention to a marijuana business or its  
2 products.

3 (7) A marijuana licensee that engages in outdoor advertising is  
4 subject to the advertising requirements and restrictions set forth in  
5 this subsection (7) and elsewhere in this chapter.

6 (a) All outdoor advertising signs, including billboards, are  
7 limited to text that identifies the retail outlet by the licensee's  
8 business or trade name, states the location of the business, and  
9 identifies the type or nature of the business. Such signs may not  
10 contain any depictions of marijuana plants, marijuana products, or  
11 images that might be appealing to children. The state liquor and  
12 cannabis board is granted rule-making authority to regulate the text  
13 and images that are permissible on outdoor advertising. Such rule  
14 making must be consistent with other administrative rules generally  
15 applicable to the advertising of marijuana businesses and products.

16 (b) Outdoor advertising is prohibited:

17 (i) On signs and placards in arenas, stadiums, shopping malls,  
18 fairs that receive state allocations, farmers markets, and video game  
19 arcades, whether any of the foregoing are open air or enclosed, but  
20 not including any such sign or placard located in an adult only  
21 facility; and

22 (ii) Billboards that are visible from any street, road, highway,  
23 right-of-way, or public parking area are prohibited, except as  
24 provided in (c) of this subsection.

25 (c) Licensed retail outlets may use a billboard or outdoor sign  
26 solely for the purpose of identifying the name of the business, the  
27 nature of the business, and providing the public with directional  
28 information to the licensed retail outlet. Billboard advertising is  
29 subject to the same requirements and restrictions as set forth in (a)  
30 of this subsection.

31 (d) Advertising signs within the premises of a retail marijuana  
32 business outlet that are visible to the public from outside the  
33 premises must meet the signage regulations and requirements  
34 applicable to outdoor signs as set forth in this section.

35 (e) The restrictions and regulations applicable to outdoor  
36 advertising under this section are not applicable to:

37 (i) An advertisement inside a licensed retail establishment that  
38 sells marijuana products that is not placed on the inside surface of  
39 a window facing outward; or

(ii) An outdoor advertisement at the site of an event to be held at an adult only facility that is placed at such site during the period the facility or enclosed area constitutes an adult only facility, but in no event more than fourteen days before the event, and that does not advertise any marijuana product other than by using a brand name to identify the event.

(8) Merchandising within a retail outlet is not advertising for the purposes of this section.

(9) This section does not apply to a noncommercial message.

(10)(a) The state liquor and cannabis board must:

(i) Adopt rules implementing this section and specifically including provisions regulating the billboards and outdoor signs authorized under this section; ~~((and))~~

(ii) Adopt rules that provide for more permissive advertising of marijuana products that meet the requirements for sale to qualifying patients or designated providers under RCW 69.50.375(4) if such advertising is necessary to make qualifying patients aware of common retail locations under section 4 of this act. In adopting rules under this subsection, the board must consult with affected cities, towns, and counties and give deference to existing local ordinances that restrict advertising for marijuana products and marijuana businesses; and

(iii) Fine a licensee one thousand dollars for each violation of this section until the state liquor and cannabis board adopts rules prescribing penalties for violations of this section. The rules must establish escalating penalties including fines and up to suspension or revocation of a marijuana license for subsequent violations.

(b) Fines collected under this subsection must be deposited into the dedicated marijuana account created under RCW 69.50.530.

(11) A city, town, or county may adopt rules of outdoor advertising by licensed marijuana retailers that are more restrictive than the advertising restrictions imposed under this chapter. Enforcement of restrictions to advertising by a city, town, or county is the responsibility of the city, town, or county.

NEW SECTION.     **Sec. 10.**     Section 6 of this act expires July 1, 2024.

1        NEW SECTION.    **Sec. 11.**    Section 7 of this act takes effect July  
2    1, 2024.

--- END ---