

SENATE BILL REPORT

SB 5130

As Reported by Senate Committee On:
Commerce & Labor, February 11, 2015

Title: An act relating to marijuana producers and processors.

Brief Description: Restricting marijuana producer and processor businesses from being located in certain residential and rural areas.

Sponsors: Senators Pearson and Benton.

Brief History:

Committee Activity: Commerce & Labor: 1/30/15, 2/11/15 [DPS, w/oRec].

SENATE COMMITTEE ON COMMERCE & LABOR

Majority Report: That Substitute Senate Bill No. 5130 be substituted therefor, and the substitute bill do pass.

Signed by Senators Baumgartner, Chair; Braun, Vice Chair; King and Warnick.

Minority Report: That it be referred without recommendation.

Signed by Senators Hasegawa, Ranking Minority Member; Conway and Keiser.

Staff: Richard Rodger (786-7461)

Background: The passage of Initiative 502 (I-502) legalized the recreational use of marijuana and created a comprehensive scheme for the licensing and regulation of marijuana production and distribution. The Liquor Control Board (LCB) is the lead agency for the regulation of marijuana businesses.

I-502 created three categories of marijuana licenses: (1) the marijuana producer's license entitles the holder to produce marijuana for sale at wholesale to licensed marijuana processors or other producers; (2) the marijuana processor's license entitles the holder to process, package, and label marijuana for sale at wholesale to marijuana retailers; and (3) the marijuana retailer's license entitles the holder to sell marijuana products at retail prices in retail outlets.

LCB may not issue any of the three licenses for any premises located within 1000 feet of any elementary or secondary school, playground, recreation center or facility, child care center,

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public park, public transit center, or library, or any game arcade which is open to persons under age 21.

Summary of Bill (Recommended Substitute): Legislative findings are made regarding the location of marijuana producer and processor businesses within an area zoned for residential use or an area zoned for rural use with a minimum lot size of five acres. The findings indicate that these businesses create a public nuisance, lower neighboring property values, and increase the risk of criminal activity. The Legislature also finds that businesses located in these areas diminish the public health, safety, and welfare of the neighboring residential and rural properties.

LCB may not issue a marijuana producer or marijuana processor license for any premises located within an area zoned for residential use or an area zoned for rural use with a minimum lot size of five acres.

The act applies prospectively to new licenses issued after the date of enactment and applies to the renewal of existing licenses.

EFFECT OF CHANGES MADE BY COMMERCE & LABOR COMMITTEE (Recommended Substitute): Removes the following phrases from the legislative findings: Offensive odors; increased noise levels; and the potential for spraying of fertilizers and pesticides.

Appropriation: None.

Fiscal Note: Not requested.

Committee/Commission/Task Force Created: No.

Effective Date: The bill contains an emergency clause and takes effect immediately.

Staff Summary of Public Testimony on Original Bill: PRO: I support the additional zoning restrictions as these businesses were allowed to be sited in residential areas without any notice. These businesses have diminished the property values of existing, neighboring residences. One business purchased a single family residence in a residential neighborhood and then built a 25,000 square foot building next to other residences.

CON: This bill deals with local zoning issues that should be left with local governments. Local governments already use an open, public process when setting their own zoning restrictions. The marijuana businesses run discrete operations with limited signage. It was the will of the voters to allow legal, safe, and secure marijuana business. It is already too difficult under the existing zoning restrictions to locate a legal business. The bill will prohibit the relicensing of existing businesses and cause financial hardships for businesses that were licensed by the state and approved by the local governments. This bill nullifies the marijuana initiative. Property values have not gone down in these areas. The R-5 zoning is a right to farm area, with lots of other existing small family farming operations. There have been no concerns of criminal activity relating to these businesses.

OTHER: We are concerned about the retrospective aspect of this bill on renewal of licenses for existing licensed marijuana businesses.

Persons Testifying: PRO: Derek Franklin, WA Assn. for Substance Abuse and Violence Prevention, President; Dean Keppler, Concerned Citizens of Wagner Lake Community; Mark Kilpatrick, citizen.

CON: Shawn Wagenseller, R5 Cooperative; Jeremy Kaufman, Coalition for Cannabis Standards and Ethics, WCC, The CPC; Jedidiah Haney, CAUSE-M; Mark Childs, citizen.

OTHER: Rick Garza, LCB.

Signed In, Unable to Testify & Submitted Written Testimony: CON: Russell Moore, Nina Jones, Chipper Gardens; Andre Pilon, Green Brothers Farms.