



Cannabis Related Legislative Proposals

State of the Seattle Market

State-Licensed Recreational

- ◆ 21 total storefronts
 - 14 now open
 - 7 pending
- ◆ 25 producer/processors
 - 70 pending

Non-State Licensed Medical (Approximate)

- ◆ 99 storefronts
 - 45 storefronts with city business licenses issued before 1/1/13
 - 54 storefronts without city business licenses or issued on or after 1/1/13
- ◆ 72 producers, processors and delivery services with business licenses

Enforcement Preference

City agencies will favor civil remedies to address compliance.
Criminal sanctions may be imposed if civil remedies fail to gain compliance.

Enforcement Resolution

Mayor Edward B. Murray will transmit a resolution to the City Council that affirms the enforcement preference stated above and sets clear enforcement priorities for all city agencies involved in regulating non-state licensed cannabis-related establishments. Tier 1 violations will be considered the highest enforcement priority.

Tier 1

- Distributing or delivering marijuana or marijuana infused products directly to anyone under 21 years old or people other than qualifying patients.
- Under law enforcement investigation for criminal violations or public safety concerns.
- Manufacturing or distributing products that mimic trademark protected products or are otherwise appealing to children.
- Operating without a business license or with a business license obtained after 1/1/13.

Tier 2

- Violation of City building, fire, or other codes.
- Engaged in delivery services of marijuana for medical purposes.
- Allow consumption of marijuana or marijuana infused products on their premises.

Tier 3

- Distributing marijuana that has not undergone microbial and potency testing.
- Located within 500 feet of another licensed or unlicensed marijuana establishment or are within 1000 feet of a school or playground.

Creation of a Title 6 Marijuana Regulatory Business License

This new regulatory license will allow for more effective oversight by the Seattle Department of Finance and Administrative Services as this burgeoning new industry continues to grow. A regulatory business license allows for the City to enact specific rules on licensed industries in order to ensure compliance and reduce potential negative impacts on communities. There are currently 28 industries operating in Seattle that are required to obtain a regulatory license including taxicabs, all-ages dance venues, and tobacco retailers.

- ◇ License limited to businesses that have received a license to produce, process or distribute marijuana by the Washington State Liquor & Cannabis Board (LCB).
 - LCB rules for marijuana businesses would be incorporated through rulemaking by the Director of Finance and Administration.
- ◇ Exemption from acquiring regulatory business license extended towards non-state-licensed marijuana establishments that are in compliance with Medical Use of Marijuana Act and city enforcement guidelines.
 - Exemption only extended to those that acquired city business license and began operations before 1/1/13.
 - Those exempted must apply for and obtain a license from the LCB by 7/1/16.

Amendment to Title 5 Business License

This amendment will be transmitted by Mayor Murray in order to ensure the City does not continue to issue businesses licenses to those operating in violation of the law and to clarify the purpose of the city business license.

- ◆ Changes name from “Business License” to “Business License Tax Certificate”
 - Purpose is to emphasize Title 5 as a tax registration with the City and not authorization to engage in business.
- ◆ Amendment would allow the Director of FAS to reject or revoke the business license tax certificate of any business that is:
 - Operating in violation of the law or
 - A type of business that requires a Title 6 regulatory business license and does not have or does not qualify for one.

