

1 **CITY OF SEATTLE**

2 **ORDINANCE \_\_\_\_\_**

3 **COUNCIL BILL \_\_\_\_\_**

4 ..title

5 AN ORDINANCE related to the regulation of marijuana businesses; adding a new Chapter 6.500  
6 to the Seattle Municipal Code; amending Ordinance 124648, which adopted the 2015 Budget,  
7 changing appropriations to various departments and budget control levels, making cash transfers  
8 between various City funds; and ratifying and confirming certain prior acts; all by a 3/4 vote of  
9 the City Council.

10 ..body

11 WHEREAS, the residents of the State of Washington voted in favor of Initiative 692 creating the

12 Medical Use of Marijuana Act (MUCA);

13 WHEREAS, the MUCA does not create any legal right to grow, process, or distribute medical

14 marijuana but only allows for an affirmative defense for patients and providers;

15 WHEREAS, Initiative 502 was passed statewide and by voters in the state of Washington;

16 WHEREAS, public support for Initiative 502 was in large part driven by the desire to end

17 criminalization of marijuana production, processing, and distribution;

18 WHEREAS, Initiative 502 creates a highly regulated system for the production, processing and

19 distribution of marijuana for adult use;

20 WHEREAS, the Washington State Liquor and Cannabis Board (LCB) has allowed for the

21 provision of 21 retail marijuana stores within the City of Seattle;

22 WHEREAS, 14 recreational marijuana retail stores have opened in the City of Seattle as of June

23 2, 2015;

24 WHEREAS, the Department of Finance and Administrative Services and the Department of

25 Planning and Development have determined that there are approximately 99 medical

26 marijuana retailers operating without licenses issued by the LCB in the City of Seattle;

1 WHEREAS, an estimated 54 marijuana retailers without state licenses have established  
2 operations in the City of Seattle since January 1, 2013;

3 WHEREAS, there have been numerous armed robberies and thefts of ~~medical-unregulated~~  
4 marijuana ~~dispensaries~~businesses, endangering staff at these establishments and the  
5 surrounding community;

6 WHEREAS, access to recreational marijuana should be limited to those over 21 years of age;

7 WHEREAS, access to medical marijuana by those under 21 years of age should be available  
8 only to those patients with a qualifying medical condition that has been confirmed by a  
9 healthcare provider;

10 WHEREAS, the proliferation of ~~purported medical-unregulated~~ marijuana businesses has ~~also~~  
11 seen an attendant increase in elementary and secondary school students, who are not  
12 qualifying patients, accessing marijuana-infused products;

13 WHEREAS, 77 percent of drug/alcohol discipline incidents in Seattle public schools in 2014  
14 ~~were for~~involved marijuana;

15 WHEREAS, it is in the interest of the people of the City of Seattle to prevent those under 21  
16 years of age from accessing marijuana and marijuana-infused products;

17 WHEREAS, it is in the interest of the people of the City of Seattle to halt the proliferation of  
18 non-state licensed, and therefore unlawful, marijuana businesses while maintaining  
19 access to medical marijuana for qualifying patients;

20 WHEREAS, the state legislature and Governor Inslee signed into law SSB 5052 that reforms  
21 medical marijuana law in Washington State;

22 WHEREAS, SSB 5052 prioritizes non-state-licensed marijuana establishments operating before  
23 January 1, 2013 having an opportunity to obtain a state license by July 1, 2016; and

1 WHEREAS, it is in the interest of the City to regulate marijuana businesses in order to promote  
2 the health, welfare, and safety of the citizens of Seattle, including persons under the age  
3 of 21;

4 WHEREAS, the creation of a regulatory license for marijuana businesses will allow the City of  
5 Seattle to incorporate LCB rules regarding operating hours and signage that are of  
6 concern to neighborhoods surrounding marijuana businesses;

7 WHEREAS, it is in the interest of the City of Seattle to ensure that newly legal marijuana  
8 business are in compliance with state and city law; NOW, THEREFORE,

9 **BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:**

10 Section 1. A new Chapter 6.500 is added to the Seattle Municipal Code as follows:

11 **Chapter 6.500 MARIJUANA BUSINESSES**

12 **6.500.010 Application of other provisions**

13 The licenses provided for in this Chapter are subject to the general provisions of the new  
14 Seattle License Code set forth in Chapter 6.202 as now or hereafter amended. In the event of a  
15 conflict between the provisions of Chapter 6.202 and this Chapter 6.500, the provisions of this  
16 Chapter 6.500 shall control.

17 **6.500.020 Definitions**

18 For the purposes of this Chapter the following definitions are adopted:

19 “Authorization” means a form developed by the Washington State Department of Health  
20 that is completed and signed by a qualifying patient’s health care professional and printed on  
21 tamper-resistant paper.

1           “Cannabis health and beauty aid” means a product containing parts of the cannabis plant  
2 and which that: (a) is intended for use only as a topical application to provide for therapeutic  
3 benefit or to enhance appearance; (b) contains a THC concentration of not more than 0.3 percent;  
4 (c) does not cross the blood-brain barrier; and (d) is not intended for ingestion by humans or  
5 animals.

6           “Department” means the Department of Finance and Administrative Services of The City  
7 of Seattle.

8           “Designated provider” means a person who is 21 years of age or older:

9           ~~a1.~~    ~~1a.~~ Is the parent or guardian of a qualifying patient who is under the age of 18  
10 years and, beginning July 1, 2016, holds a recognition card; or

11           ~~2b.~~ Has been designated in a writing by a qualifying patient to serve as the  
12 designated provider for that patient;

13           ~~b1.~~    ~~1a.~~ Has an authorization from the qualifying patient’s health care professional; or

14           ~~2b.~~ Beginning July 1, 2016:

15                   ~~(a1)~~ Has been entered into the medical marijuana authorization database as  
16 being the designated provider to a qualifying patient; and

17                   ~~(b2)~~ Has been provided a recognition card;

18                   ~~(c3)~~ Is prohibited from consuming marijuana obtained for the personal,  
19 medical use of the qualifying patient for whom the individual is acting as designated provider;

20                   ~~(d4)~~ Provides marijuana to only the qualifying patient that has designated  
21 him or her;

22                   ~~(e5)~~ Is in compliance with the terms and conditions of RCW 69.51A; and

23                   ~~(f6)~~ Is the designated provider to only one patient at any one time.

1 “Director” means the Director of the Department of Finance and Administrative Services  
2 of The City of Seattle or that Director’s designee.

3 “Employee” means any individual who is employed by an employer in return for the  
4 payment of direct or indirect monetary wages or profit, any individual who volunteers his or her  
5 services to an employer for no monetary compensation, or any individual who performs work or  
6 renders services, for any period of time, at the direction of an owner, lessee, or other person in  
7 charge of a place.

8 “Engaging in business” has the meaning provided in subsection 5.30.030.B.1.

9 “Gross profit” means the entire gross receipts from all sales and services made in, upon,  
10 or from the licensed business.

11 “Health care professional” means a physician licensed under chapter 18.71 RCW, a  
12 physician assistant licensed under chapter 18.71A RCW, an osteopathic physician licensed under  
13 chapter 18.57 RCW, an osteopathic physicians' assistant licensed under chapter 18.57A RCW, a  
14 naturopath licensed under chapter 18.36A RCW, or an advanced registered nurse practitioner  
15 licensed under chapter 18.79 RCW.

16 “Marijuana” means all parts of the plant *Cannabis*, whether growing or not, with a THC  
17 concentration greater than 0.3 percent on a dry weight basis; the seeds thereof; the resin extracted  
18 from any part of the plant; and every compound, manufacture, salt, derivative, mixture, or  
19 preparation of the plant, its seeds or resin. The term does not include the mature stalks of the  
20 plant, fiber produced from the stalks, oil or cake made from the seeds of the plant, any other  
21 compound, manufacture, salt, derivative, mixture, or preparation of the mature stalks (except the  
22 resin extracted therefrom), fiber, oil, or cake, or the sterilized seed of the plant which is incapable  
23 of germination.

1 “Marijuana business” means any person or entity that grows, possesses, produces,  
2 processes, manufactures, sells (whether at wholesale or retail), distributes, transports, allows for  
3 consumption on their premises, or delivers marijuana with the object of gain, benefit, or  
4 advantage to the person, and includes, but is not limited to, any marijuana processor, producer, or  
5 retailer, regardless of whether the marijuana is intended for medical or recreational use.

6 “Marijuana concentrates” means products consisting wholly or in part of the resin  
7 extracted from any part of the plant *Cannabis* and having a THC concentration greater than ~~60~~  
8 [ten](#) percent.

9 “Marijuana processor” means a person licensed by the Washington State Liquor and  
10 Cannabis Board to process marijuana into marijuana concentrates, ~~useable~~[usable](#) marijuana, and  
11 marijuana-infused products, package and label marijuana concentrates, ~~useable~~[usable](#) marijuana,  
12 and marijuana-infused products for sale in retail outlets, and sell marijuana concentrates,  
13 ~~useable~~[usable](#) marijuana, and marijuana-infused products at wholesale to marijuana retailers.

14 “Marijuana producer” means a person licensed by the Washington State Liquor and  
15 Cannabis Board to produce and sell marijuana at wholesale to marijuana processors and other  
16 marijuana producers.

17 ~~“Marijuana products” means usable marijuana, marijuana concentrates, and marijuana-~~  
18 ~~infused products as defined in this Section.~~

19 “Marijuana-infused products” means products that contain marijuana or marijuana  
20 extracts, are intended for human use, ~~are derived from marijuana,~~ and have a THC concentration  
21 ~~greater than 0.3 percent and~~ no greater than ~~60~~[ten](#) percent. The term “marijuana-infused  
22 products” does not include either ~~useable~~[usable](#) marijuana or marijuana concentrates.

1 “Marijuana retailer” means a person licensed by the Washington State Liquor and  
2 Cannabis Board to sell marijuana concentrates, ~~useable~~[usable](#) marijuana, and marijuana-infused  
3 products in a retail outlet.

4 “Medical marijuana authorization database” means the secure and confidential database  
5 created by the Washington State Department of Health pursuant to chapter 69.51A RCW, as  
6 amended by Chapter 70, Laws of 2015.

7 “Medical marijuana establishment” means a marijuana business operating in compliance  
8 with chapter RCW 69.51A.

9 “Net profit” means gross sales minus cost of goods sold.

10 “Operator” means any person operating, conducting, or maintaining a marijuana  
11 business.

12 “Person” means any individual, partnership, corporation, trust, incorporated or  
13 unincorporated association, marital community, joint venture, governmental entity, or other  
14 entity or group of persons however organized.

15 “Premises” means the building and land upon which a marijuana producer, processor, or  
16 retailer is located.

17 “Process” means to engage in any one or more of the activities of a marijuana processor.

18 “Produce” means to plant, grow, or harvest marijuana for medical or recreational use.

19 “Qualifying patient” means a person who:

- 20 ~~a~~[1](#). ~~1~~[a](#). Is a patient of a health care professional;
- 21 ~~b~~[2](#). Has been diagnosed by that health care professional as having a  
22 terminal or debilitating medical condition;
- 23 ~~c~~[3](#). Is a resident of the state of Washington at the time of such diagnosis;

1                                    4d. Has been advised by that health care professional about the risks and  
2 benefits of the medical use of marijuana;

3                                    5e. Has been advised by that health care professional that he or she may  
4 benefit from the medical use of marijuana;

5                                    6f.    a.1) Has an authorization from his or her health care professional;

6 or

7                                    b.2) Beginning July 1, 2016, has been entered into the medical  
8 marijuana authorization database and has been provided a recognition card; and

9                                    7g. Is otherwise in compliance with the terms and conditions of RCW  
10 69.51A.

11                                    b. “Qualifying patient” does not include a person who is actively being  
12 supervised for a criminal conviction by a corrections agency or department that has determined  
13 that the terms of Chapter 69.51A RCW are inconsistent with and contrary to his or her  
14 supervision and all related processes and procedures related to that supervision.

15                                    “Successor” means any person to whom the owner(s) of a marijuana business who are  
16 quitting, selling out, exchanging or disposing of the marijuana business sells or otherwise  
17 conveys, directly or indirectly, the owner(s)’ share of the business, or any part of the materials,  
18 supplies, merchandise, inventory, fixtures, or equipment of the business in bulk and not in the  
19 ordinary course of the person's marijuana business. Any person obligated to fulfill the terms of a  
20 contract shall be deemed a successor to any contractor defaulting in the performance of any  
21 contract as to which such person is a surety or guarantor.

22                                    “Tamper-resistant paper” means paper that meets one or more of the following industry-  
23 recognized features:



- 1                   1. One or more features designed to prevent copying of the paper;
- 2                   2. One or more features designed to prevent the erasure or modification of
- 3 information on the paper; or
- 4                   3. One or more features designed to prevent the use of counterfeit authorization.

5                   “Recognition card” means a card issued to qualifying patients and designated providers  
6 by a marijuana retailer with a medical marijuana endorsement that has entered them into the  
7 medical marijuana authorization database.

8                   “True party of interest” means:

- 9                   1. For a sole proprietorship, the sole proprietor and spouse.
- 10                  2. For a general partnership, all partners and their spouses.
- 11                  3. For a limited partnership, limited liability partnership, or limited liability
- 12 limited partnership, all general partners and their spouses and all limited partners and their
- 13 spouses.
- 14                  4. For a limited liability company, all members and their spouses, and all
- 15 managers and their spouses.
- 16                  5. For a privately held corporation, all corporate officers (or persons with
- 17 equivalent title) and their spouses, and all stockholders and their spouses.
- 18                  6. For a publicly held corporation, all corporate officers (or persons with
- 19 equivalent title) and their spouses, and all stockholders and their spouses.
- 20                  7. For multilevel ownership structures, all persons and entities that make up the
- 21 ownership structure and their spouses.
- 22                  8. Any entity or person (inclusive of financiers) that is expecting a percentage of
- 23 the profits in exchange for a monetary loan or expertise, any entity or person who is in receipt of,

1 or has the right to receive, a percentage of the gross or net profit from the licensed business  
2 during any full or partial calendar or fiscal year, or any entity or person who exercises control  
3 over the licensed business in exchange for money or expertise.

4 “True party of interest” does not mean:

5 1. A person or entity receiving reasonable payment for rent on a fixed basis under  
6 a bona fide lease or rental obligation, unless the lessor or property manager exercises control  
7 over or participates in the management of the business.

8 2. A person who receives a bonus as an employee, if: the employee is on a fixed  
9 wage or salary and the bonus is not more than 25 percent of the employee's pre-bonus annual  
10 compensation; or the bonus is based on a written incentive/bonus program that is not out of the  
11 ordinary for the services rendered.

12 3. A person or entity contracting with the applicant(s) to sell the property, unless  
13 the contract holder exercises control over or participates in the management of the licensed  
14 business.

15 “Usable Marijuana” means dried marijuana flowers. The term “usable marijuana” does  
16 not include either marijuana-infused products or marijuana concentrates.

### 17 **6.500.030 License required**

18 It is unlawful for any person to engage in a marijuana business in the City unless such  
19 person has obtained from the Director a license to do so, to be designated as a marijuana business  
20 license, and is in compliance with all provision of this Chapter 6.500.

### 21 **6.500.040 General provisions**

22 A. No license shall be approved under this Chapter [6.500](#) for any marijuana business  
23 located on federal lands.

1 B. No marijuana business shall be located within another business. More than one  
2 marijuana business licensee may be located in the same building if each licensee has their own  
3 area physically separated with their own entrance. Marijuana, ~~useable marijuana, marijuana~~  
4 ~~concentrate, or marijuana-infused~~ and marijuana products shall not be commingled.

5 C. No marijuana processor licensed by the Department shall conduct the processing,  
6 storage, or sale of marijuana-infused products except using sanitary practices and ensuring  
7 facilities are constructed, kept, and maintained in a clean and sanitary condition pursuant to rules  
8 prescribed by the Seattle Department of Planning and Development, Seattle Fire Department,  
9 Washington Department of Agriculture under Chapters 16-165 and 16-167 Washington  
10 Administrative Code (WAC), and Seattle-King County Department of Public Health.

11 D. Licensees shall not allow the consumption of marijuana or marijuana ~~infused~~ products  
12 on the licensed premises.

13 E. Signs must be posted at all licensed premises that inform the public that no persons  
14 under the age of 21 years are permitted on the premises. After July 1, 2016, signs must be posted  
15 that inform the public that qualified patients between the ages of 18 and 21 years with  
16 recognition cards are permitted on the premises.

17 F. A business shall only sell product to the public from their licensed location.

18 G. Marijuana or marijuana products shall not be provided from booths at vendor fairs,  
19 farmers' markets, or other similar events.

#### 20 **6.500.050 License applications**

21 A. Marijuana business licenses are limited to those persons who have been issued a  
22 license by the Washington State Liquor and Cannabis Board to produce, process, ~~or~~ distribute  
23 marijuana, or transport marijuana or marijuana products.

1 B. Those persons licensed by the Liquor and Cannabis Board to conduct quality  
2 assurance testing or research on marijuana for scientific purposes are exempted from the  
3 requirement to acquire the license created by this Chapter 6.500. Manufacturers and distributors  
4 of cannabis health and beauty aids are likewise exempted from the requirement to acquire a  
5 license created by this Chapter 6.500.

6 C. Those persons operating medical marijuana businesses that, before January 1, 2013,  
7 acquired a license issued by The City of Seattle under Section 5.55.230, attained a state  
8 registration certificate under RCW 82.32.030, established their operation as a medical-marijuana  
9 establishment, have fully paid any judgments for unpaid wages or tip compensation, and have  
10 consistently paid all applicable state and local taxes and fees, including but not limited to  
11 Washington State Employment Security Department unemployment taxes and Washington State  
12 Labor and Industries Department fees, may continue to operate until July 1, 2016 without a  
13 license issued by this Chapter 6.500. In order to continue operating without a license pursuant to  
14 this subsection 6.500.050.C, those persons or entities must fulfill all criteria and timely take all  
15 steps necessary to remain eligible to obtain a license from the Washington State Liquor and  
16 Cannabis Board no later than July 1, 2016. In addition, persons operating medical marijuana  
17 establishments must comply with all advertising and signage requirements pursuant to WAC  
18 314-55-155 as adopted through rulemaking by the Director.

19 1. It shall be the burden of each medical marijuana establishment to affirmatively  
20 show that it meets the requirements of this subsection 6.500.050.C. Upon the request of the  
21 Director, such persons shall submit all records necessary to establish their eligibility to operate  
22 pursuant to this subsection 6.500.050.C.

1                   2. A person or entity that is a successor of a medical marijuana establishment that  
2 had acquired a state registration certificate under RCW 82.32.030 and City of Seattle license  
3 under Section 5.55.230 and began operations before January 1, 2013 but attained their interest or  
4 control of said entity after January 1, 2013 may be eligible to continue operations until July 1,  
5 2016 if operations were continuous and the transfer of interest or control is documented.

6                   D. Marijuana businesses that are not located within the City but provide marijuana  
7 businesses located in Seattle with marijuana; ~~useable marijuana, marijuana concentrates, or~~  
8 ~~marijuana-infused~~ or marijuana products must obtain a license under this Chapter 6.500. Only  
9 those persons that have a license issued by the Washington State Liquor and Cannabis Board  
10 may obtain a license under this Chapter 6.500.

11                  E. All applications shall be submitted by and issued in the name(s) of the true party(ies)  
12 of interest and shall be signed by such person(s) and certified as true under penalty of perjury,  
13 and shall be accompanied by written evidence sufficient to show that such person(s) are the  
14 owner, operator, or lessee of the premises. All applications shall be submitted on a form supplied  
15 by the Director.

16                   1. Failure to provide complete information required on an application form  
17 approved by the Director's form shall render the application incomplete and the license  
18 consequently shall be denied.

19                   2. Within 30 days of any change in the information required to be submitted in  
20 this Section 6.500.050, each licensee shall notify the Director in writing of such change on a  
21 form provided by the Director.

22                  F. Applicants shall comply with all City and State laws, including but not limited to  
23 license or tax obligations and all provisions of this Chapter 6.500.

1 G. Applications from currently operating state-licensed marijuana businesses must be  
2 received within 30 days of the effective date of this Chapter 6.500.

3 **6.500.060 License—Applicant investigation**

4 A. The Director may investigate each license application. The Director may request  
5 record checks, site inspections or confirmation of zoning compliance to be performed by  
6 appropriate City agencies. The agency to which such a request has been directed shall determine  
7 whether the applicant, activity, and/or premises comply with the requirements of City laws,  
8 rules, and regulations enforced by the agency. The agency shall notify the Director in writing  
9 whether or not any violation is found, specifying any noncompliance. If the Director does not  
10 receive a written reply within 30 days from the date of the original request for the check or  
11 inspection, the Director shall issue the license if the applicant is deemed qualified to hold the  
12 license in all other respects provided however, that the license shall be deemed invalid upon the  
13 receipt of competent evidence that the requirements of this Chapter 6.500 or any other law, rule,  
14 or regulation have not been met.

15 B. The Department may conduct an investigation of any person or entity that exercises  
16 any control over the applicant's business operations, including but not limited to a financial  
17 investigation and/or a criminal history background.

18 **6.500.070 Inspection of premises**

19 A. Applicants shall allow the premises sought to be licensed under this Chapter 6.500 and  
20 all books and records to be inspected by persons authorized by the Director, Fire and Police  
21 Departments, Seattle-King County Health Department, and Department of Planning and  
22 Development to ensure that the applicant meets all licensing and other legal requirements.  
23 Failure to grant access shall result in denial of the license application.

1 B. Each licensee shall allow the premises, including all books and records, to be  
2 inspected in accordance with and in the same manner as in subsection 6.500.070.A. Refusal to  
3 grant access to authorized persons shall result in a non-renewal or revocation of the license.

4 **6.500.080 License ~~Fees~~ fees**

5 A. The following application fees shall apply:

- |    |   |         |
|----|---|---------|
| 6  | 1. Marijuana Business License - Located in Seattle          | \$1,000 |
| 7  | 2. Marijuana Business License - Located outside Seattle     | \$500   |
| 8  | 3. Marijuana Business License - Reinspection, Reinstatement |         |
| 9  | Relocation of Physical                                      |         |
| 10 | Address Fee   | \$250   |

11 B. Application fees are non-refundable.

12 **6.500.090 Issuance of licenses**

13 A. The Director shall deny a license and shall notify the applicant in writing of the  
14 reasons for denial and the opportunity to appeal, if the Director finds any of the following:

- 15 1. The application does not meet the requirements of this Chapter [6.500](#); or
- 16 2. The applicant or any employee, agent, partner, director, officer, or manager has  
17 knowingly made any false, misleading, or fraudulent omission or statement of material fact in the  
18 application for a license, or in any report or record required to be filed with the Director; or
- 19 3. The applicant or any employee, agent, partner, director, officer, or manager of  
20 the applicant has not attained the age of 21 years at the time that the application was submitted;
- 21 or
- 22 4. The applicant or any employee, agent, partner, director, officer, or manager of  
23 the applicant is currently the subject of a final license suspension or revocation order issued

1 pursuant to this Chapter 6.500 that became final less than three years before the date that the  
2 pending application was submitted; or

3 5. The applicant has not provided written evidence that the applicant is the current  
4 owner, operator, or lessee of the business premises to be licensed; or

5 6. The property at which the business is located has been determined by a court to  
6 be a chronic nuisance property as provided in Chapter 10.09; or

7 7. The license may be otherwise denied under Section 6.202.230.

8 B. No license shall be issued to:

9 1. A person under the age of 21 years;

10 2. A partnership, employee cooperative, association, nonprofit corporation, or  
11 corporation unless formed under the laws of this state, and unless all of the members thereof are  
12 qualified to obtain a license as provided in this Section 6.500.090; or

13 3. A person whose place of business is conducted by a manager or agent, unless  
14 the manager or agent possesses the same qualifications required of the licensee.

15 C. The Director may, subject to the provisions of Sections 6.500.140, 6.500.145,  
16 6.500.147 and 6.500.150, suspend or revoke any license for violations of this Chapter 6.500.

17 **6.500.100 State regulatory provisions; Director to adopt rules**

18 The Director shall adopt rules that incorporate applicable provisions of the Washington  
19 Administrative Code relating to the regulation of marijuana businesses by the Washington State  
20 Liquor and Cannabis Board, and shall periodically review and update such rules as changes are  
21 made to such provisions of the Washington Administrative Code.

22 **6.500.110 Restricted ~~Access-access~~ for ~~Persons-persons~~ under 21 years of ~~Ageage~~**



1           A. It is unlawful for any person under the age of 21 years to be in or upon any licensed  
2 premises. Beginning July 1, 2016, persons between the ages of 18 and 21 years may be permitted  
3 upon licensed premises if they are a qualifying patient with an authorization or recognition card.

4           B. It is unlawful for any owner, operator, manager, employee, or other person in charge  
5 of a business for which a license under this Chapter is required, to allow any person under the  
6 age of 21 years without an authorization or recognition card to be in or upon such premises.

7           C. All licensees shall affirmatively check the identification, authorization, and  
8 recognition card, and all licensees shall confirm the age of all that enter or are on the premises.

9           D. Retail marijuana licensees shall issue recognition cards in accordance with state law  
10 and shall confirm the validity of authorizations and recognition cards.

#### 11 **6.500.120 License – Transfer of interest**

12           The licenses issued under this Chapter 6.500 are not transferable. However, an interest in  
13 a business entity holding the license may be transferred, but only after the new owner, member  
14 or principal has submitted an application, met all the standards and requirements in this Chapter  
15 6.500, and secured written approval of the Director.

#### 16 **6.500.130 Change of location**

17           If the licensee changes the location of the place of business, the licensee shall return the  
18 business license to the Director and a new application must be submitted. Each new license  
19 application submitted pursuant to a change of location of the place of business is subject to the  
20 requirements of this Chapter 6.500 and may be denied if any such requirements are not met. A  
21 change of location occurs any time there is any change to the physical location address.

#### 22 **6.500.140 License suspension**

1 In addition to the reasons set forth in Section 6.202.230 as now or hereafter amended, any  
2 license issued under this Chapter 6.500 may be suspended upon a finding that:

3 A. Any amount of marijuana or marijuana-~~infused~~ product has been sold to any person  
4 that is under the age of 21 years who is not a qualifying patient with a recognition card issued by  
5 the licensee or any of the licensee's owners, officers, managers, employees or agents. Designated  
6 providers with a recognition card may purchase marijuana or marijuana products on behalf of a  
7 qualified patient of any age;

8 B. The licensee, or any of its owners, officers, managers, employees, or agents has  
9 violated or failed to comply with any applicable provisions of this Chapter 6.500 or any rule or  
10 regulation prescribed under this Chapter 6.500;

11 C. The licensee or its owners, officers, managers, employees, or agents permitted or  
12 authorized any violation of any of the provisions of this Chapter 6.500 by any person;

13 D. Three or more of any combination of citations, notices of violation, notices of  
14 infraction, charges, complaints, or any other notifications to the licensee that the licensee has  
15 violated any one or more provisions of the Seattle Municipal Code or other applicable law,  
16 including but not limited to applicable development regulations, zoning and building codes,  
17 noise, fire, licensing and health ordinances, laws, rules, and regulations, were issued to the  
18 licensee in any three-month period;

19 E. The licensee does not maintain a current license required under Chapter 5.55 or is in  
20 default in any payment of any license fee or tax, penalty or interest due under Title 5 or Title 6;

21 F. The licensee is a person who has been certified pursuant to RCW 74.20A.320 by the  
22 Washington Department of Social and Health Services as a person who is not in compliance with  
23 a support order. If the person has continued to meet all other requirements for reinstatement

1 during the suspension, reissuance of the license shall be automatic upon the Director's receipt of  
2 a release issued by the Washington Department of Social and Health ~~serviees~~ Services stating  
3 that the licensee is in compliance with the order; or

4 G. The licensee, manager, or any employee or agent of a licensee knew or had reason to  
5 know that a violation of this Chapter 6.500 was occurring or about to occur and such licensee,  
6 manager, employee, or agent failed to either prevent or report to proper law enforcement  
7 authorities the violation.

#### 8 **6.500.145 License revocation**

9 In addition to the reasons set forth in Section 6.202.230 as now or hereafter amended, any  
10 license issued under this Chapter 6.500 may be revoked upon a finding that:

11 A. The licensee has committed three or more violations of this Chapter 6.500 within a  
12 12-month period; or

13 B. The licensee has failed to cure any condition for which a suspension was issued  
14 within 30 days of the time when such condition could have been reasonably cured; or

15 C. The property at which the business is located has been determined by a court to be a  
16 chronic nuisance property as provided in Chapter 10.09.

#### 17 **6.500.147 Suspension or revocation; effective date; length**

18 A. Except for summary suspensions under Section 6.500.150, suspensions or revocations  
19 become effective upon the date of issuance of any notice of suspension or revocation or, in the  
20 event of an appeal, when a final ruling on appeal affirming the Director's findings is issued.

#### 21 **B. Length of suspensions**

22 1. Unless a time period is specified in a particular ~~Section-section~~ of this Chapter  
23 6.500, suspensions shall extend until evidence is produced to the Director showing by

1 preponderance that the violation is cured. Where a violation cannot be cured, suspensions shall  
2 extend one month or until the license expires, whichever occurs first. Licensees must submit a  
3 written request for reinstatement to the Director after the period of suspension has passed.

4           2. The Department shall post a suspension notice in a conspicuous place on or  
5 about the licensed premises. The notice shall state that the license has been suspended by order  
6 of the Director.

7           3. During the period of license suspension, the licensee, its manager, employees,  
8 and agents:

- 9                   a. Are required to comply with all applicable laws;
- 10                   b. Shall not remove, alter, or cover the posted suspension notice, and may  
11 not permit another person to do so;
- 12                   c. Shall not place or permit the placement of any statement on the licensed  
13 premises indicating that the premises has been closed for any reason other than as stated in the  
14 suspension notice;
- 15                   d. Shall not advertise by any means that the licensed premises is closed for  
16 any reason other than as stated in the suspension notice.

17           4. During the period of license suspension:

- 18                   a. The licensee shall not operate the marijuana business; and
- 19                   b. No sale, delivery, service, destruction, removal, or receipt of marijuana  
20 or marijuana-~~infused~~ products shall be conducted by the licensee.

21           5. Upon approval by the Director, a licensee may take necessary measures to  
22 keep current stock that is on hand at the time of the suspension from spoiling or becoming

1 unsalable during a suspension, provided that such measures shall not include processing the  
2 product.

3           6. If the Director has ordered a license suspended, the applicant may contest the  
4 suspension to the Hearing Examiner in the same manner as that provided under Section  
5 6.202.270 to contest license denials, revocations, or refusals to renew.

6           C. Length of Revocation. Revocations shall extend until the end of the annual license  
7 period. The licensee or any person in which the licensee is a principal, or any person who is or  
8 was a principal of the licensee, shall not again be licensed during such period.

9           D. Except in cases involving summary suspension, whenever a timely notice of appeal  
10 under Section 6.202.270 is filed, a licensee may continue to engage in the activity for which the  
11 license is required pending a final decision.

12 **6.500.150 License—Summary suspension**

13           A. Notwithstanding any other provision of this Chapter 6.500, a license may be  
14 summarily suspended, with such suspension to take effect immediately by order of the Director  
15 prior to hearing upon finding that there is reasonable cause to believe that the activity licensed  
16 under this Chapter 6.500 and engaged in by the licensee causes or will cause a clear, substantial,  
17 and imminent hazard to life, safety, property, or privacy.

18           B. Whenever any license is summarily suspended a hearing by the Hearing Examiner  
19 may be requested by the licensee within ten days after the date of suspension. The Director may  
20 waive the ten day requirement upon satisfaction that failure to submit the request was beyond the  
21 control of the licensee. Such hearing shall be held within five days of the request, unless a later  
22 date is agreed to by the licensee, with a minimum 48-hours' notice to the licensee, and shall be  
23 conducted by the Hearing Examiner according to the Hearing Examiner rules for contested cases.

1 The Director shall have the burden of proving by a preponderance of the evidence that the  
2 activity engaged in by the licensee causes or will cause a clear, substantial and imminent hazard  
3 to life, safety, property, or privacy. The Hearing Examiner shall issue the decision within ten  
4 days of the date of the hearing.

5 C. If the applicant does not file a timely request for hearing, the Director's order for  
6 summary suspension shall be final and the suspension shall remain in effect until such time as  
7 the Director determines that the hazard no longer exists.

#### 8 **6.500.160 Seizure or confiscation of marijuana and marijuana-infused products**

9 The Department, its authorized agents, or the Seattle Police Department may seize or  
10 confiscate (1) all marijuana or marijuana-infused products under the following circumstances: in  
11 the possession of a marijuana business that does not have a valid license issued pursuant to this  
12 Chapter 6.500 and that is not exempt pursuant to subsections 6.500.050.B or 6.500.050.C from  
13 obtaining a license, and (2) all marijuana or marijuana products that do not meet any or all of  
14 requirements of this Chapter 6.500 or any rules promulgated pursuant to this Chapter 6.500.

15 ~~A. A licensee is conducting business with a suspended or revoked license; or~~

16 ~~B. Marijuana or marijuana-infused products are altered or not properly packaged and~~  
17 ~~labeled according to the requirements of rules adopted by the Director pursuant to Section~~  
18 ~~6.500.100.~~

19 Nothing in this Section 6.500.160 shall be construed to limit the authority of any law  
20 enforcement officer to seize or confiscate marijuana or marijuana-infused products pursuant to  
21 any other law.

#### 22 **6.500.170 Penalties**

23 A. Civil Violations

1           The violation or failure to comply with any provision of this Chapter 6.500 shall  
2 constitute a civil violation and shall be enforced under the citation provisions set forth in this  
3 Section 6.500.170 by the Director, provided, however, that this Section 6.500.170 shall not be  
4 construed as preventing the enforcement of alternative criminal penalties under Section  
5 6.500.175.

6           B. Citation

7           1. If after investigation the Director determines that the standards or requirements  
8 of provisions of this Chapter 6.500 have been violated, the Director may issue a citation to the  
9 owner and/or other person or entity responsible for the violation. The citation shall include the  
10 following information: (1) the name and address of the person to whom the citation is issued; (2)  
11 a reasonable description of the location of the property on which the violation occurred; (3) a  
12 separate statement of each standard or requirement violated; (4) the date of the violation; (5) a  
13 statement that the person cited must respond to the citation within 15 days after service; (6) a  
14 space for entry of the applicable penalty; (7) a statement that a response must be sent to the  
15 Hearing Examiner and received not later than 5 p.m. on the day the response is due; (8) the  
16 name, address, and phone number of the Hearing Examiner where the citation is to be filed; (9) a  
17 statement that the citation represents a determination that a violation has been committed by the  
18 person named in the citation and that the determination shall be final unless contested as  
19 provided in this Chapter 6.500; and (10) a certified statement of the Director's representative  
20 issuing the citation, authorized by RCW 9A.72.085, setting forth facts supporting issuance of the  
21 citation.

22           2. The citation may be served by personal service in the manner set forth in  
23 RCW 4.28.080 for service of a summons or sent by first class mail, addressed to the last

1 known address of such person(s). Service shall be complete at the time of personal service, or  
2 if mailed, on the date of mailing. If a citation sent by first class mail is returned as  
3 undeliverable, service may be made by posting the citation at a conspicuous place on the  
4 property.

### 5 C. Response to Citation

6 A person must respond to a citation in one of the following ways:

- 7 1. Paying the amount of the monetary penalty specified in the citation, in  
8 which case the record shall show a finding that the person cited committed the violation; or
- 9 2. Requesting in writing a mitigation hearing to explain the circumstances  
10 surrounding the commission of the violation and providing an address to which notice of such  
11 hearing may be sent; or
- 12 3. Requesting a contested hearing in writing specifying the reason why the  
13 cited violation did not occur or why the person cited is not responsible for the violation, and  
14 providing an address to which notice of such hearing may be sent.
- 15 4. A response to a citation must be received by the Office of the Hearing  
16 Examiner no later than 15 days after the date the citation is served. When the last day of the  
17 appeal period so computed is a Saturday, Sunday, or federal or City holiday, the period shall  
18 run until 5 p.m. on the next business day.

19 D. Failure to respond. If a person fails to respond to a citation within 15 days of service,  
20 an order shall be entered by the Hearing Examiner finding that the person cited committed the  
21 violation stated in the citation, and assessing the penalty specified in the citation.

### 22 E. Mitigation hearings



1                   1. Date and Notice. If a person requests a mitigation hearing, the mitigation  
2 hearing shall be held within 30 days after written response to the citation requesting a hearing  
3 is received by the Hearing Examiner. Notice of the time, place, and date of the hearing shall be  
4 sent to the address specified in the request for hearing not less than ten days before the date of  
5 the hearing.

6                   2. Procedure at Hearing. The Hearing Examiner shall hold an informal hearing  
7 that shall not be governed by the Rules of Evidence. The person cited may present witnesses,  
8 but witnesses shall not be compelled to attend. A representative from the Department of  
9 Transportation may also be present and may present additional information, but attendance by  
10 a representative from the Department of Transportation is not required.

11                   3. Disposition. The Hearing Examiner shall determine whether the person's  
12 explanation justifies reduction of the monetary penalty. Factors that may be considered in  
13 whether to reduce the penalty include whether the violation was caused by the act, neglect, or  
14 abuse of another.

15                   4. Entry of Order. After hearing the explanation of the person cited and any  
16 other information presented at the hearing, the Hearing Examiner shall enter an order finding  
17 that the person cited committed the violation and assessing a monetary penalty in an amount  
18 determined pursuant to subsection 6.500.170.H. The Hearing Examiner's decision is the final  
19 decision of the City on the matter.

#### 20                   F. Contested hearing

21                   1. Date and Notice. If a person requests a contested hearing, the hearing shall  
22 be held within 60 days after the written response to the citation requesting such hearing is  
23 received.

1                   2. Hearing. Contested hearings shall be conducted pursuant to the procedures  
2 for hearing contested cases contained in Section 3.02.090 and the rules adopted by the Hearing  
3 Examiner for hearing contested cases, except as modified by this ~~section~~ [Section](#) 6.500.170.  
4 The issues heard at the hearing shall be limited to those that are raised in writing in the  
5 response to the citation and that are within the jurisdiction of the Hearing Examiner. The  
6 Hearing Examiner may issue subpoenas for the attendance of witnesses and the production of  
7 documents.

8                   3. Sufficiency. No citation shall be deemed insufficient for failure to contain a  
9 detailed statement of the facts constituting the specific violation which the person cited is  
10 alleged to have committed or by reason of defects or imperfections, provided such lack of  
11 detail or such defects or imperfections do not prejudice substantial rights of the person cited.

12                   4. Amendment of Citation. A citation may be amended prior to the conclusion  
13 of the hearing to conform to the evidence presented if substantial rights of the person cited are  
14 not thereby prejudiced.

15                   5. Evidence at Hearing. The certified statement or declaration authorized by  
16 RCW 9A.72.085 shall be prima facie evidence that a violation occurred and that the person  
17 cited is responsible. The certified statement or declaration authorized under RCW 9A.72.085  
18 and any other evidence accompanying the report shall be admissible without further  
19 evidentiary foundation. Any certifications or declarations authorized under RCW 9A.72.085  
20 shall also be admissible without further evidentiary foundation. The person cited may rebut the  
21 Department of Transportation evidence and establish that the cited violation(s) did not occur  
22 or that the person contesting the citation is not responsible for the violation.

1                   6. Disposition. The Hearing Examiner shall determine by a preponderance of  
2 the evidence whether the violation occurred. If the Hearing Examiner determines that the  
3 violation occurred, the citation shall be sustained and the Hearing Examiner shall enter an  
4 order finding that the person cited committed the violation and imposing the applicable  
5 penalty. If the Hearing Examiner determines that the violation did not occur, the Hearing  
6 Examiner shall enter an order dismissing the citation.

7                   7. Final Decision. The Hearing Examiner's decision is the final decision of the  
8 City.

9                   G. Failure to appear for hearing

10                  Failure to appear for a requested hearing will result in an order being entered finding that  
11 the person cited committed the violation stated in the citation and assessing the penalty specified  
12 in the citation. For good cause shown and upon terms the Hearing Examiner deems just, the  
13 Hearing Examiner may set aside an order entered upon a failure to appear.

14                  H. Penalties

15                   1. The following penalties shall be assessed for violations of any provision of this  
16 Chapter 6.500 other than Section 6.500.030 and any provision of the Washington Administrative  
17 Code:

- 18                   a. \$500 for the first violation, and  
19                   b. \$1,000 for each subsequent violation within a 12-month period.

20                   2. The following penalties shall be assessed for violations of Section 6.500.030:

- 21                   a. \$1,000 for the first violation, and  
22                   b. \$1,500 for each subsequent violation within a six-month period.

1                   3. Violations of or failure to comply with provisions of the Washington  
2 Administrative Code that have been adopted by the Director pursuant to Section 6.500.100 shall  
3 have the same monetary penalties as those set forth in the applicable provisions of Washington  
4 Administrative Code adopted by the Director.

5                   I. Collection of penalties

6                   If the person or entity cited fails to pay a penalty imposed pursuant to this chapter, the  
7 penalty may be referred to a collection agency. The cost to the City for the collection services  
8 will be assessed as costs, at the rate agreed to between the City and the collection agency, and  
9 added to the penalty. Alternatively, the City may pursue collection in any other manner allowed  
10 by law.

11                  J. Each day a separate violation

12                  Each day a person or entity violates or fails to comply with a provision referenced in  
13 Section 6.500.170 may be considered a separate violation for which a citation may be issued.

14 **6.500.175 Alternative criminal penalty**

15                  Any person who violates or fails to comply with any of the provisions of this Chapter  
16 6.500 shall be guilty of a misdemeanor subject to the provisions of Chapters 12A.02 and 12A.04,  
17 except that absolute liability shall be imposed for such a violation or failure to comply and none  
18 of the mental states described in Section 12A.04.030 need be proved. The Director may request  
19 the City Attorney to prosecute such violations criminally as an alternative to the citation  
20 procedure outlined in this Chapter 6.500.

21 **6.500.178 Additional relief**

1           The Director may seek legal or equitable relief at any time to enjoin any acts or practices  
2 that violate the provisions of this Chapter 6.500 or abate any condition that constitutes a  
3 nuisance.

4           Section 2. In order to pay for necessary costs and expenses incurred or to be incurred in  
5 order to implement this Chapter but for which insufficient appropriations were made due to  
6 causes that could not reasonably have been foreseen at the time the 2015 Budget was adopted,  
7 appropriations for the following items in the 2015 budget are increased from the funds shown, as  
8 follows:

Fund	Department	Budget Control Level	2015 Amount
FAS Operating Fund (50300)	FAS	Revenue and Consumer Protection (A4530)	\$154,000
Planning and Development Fund (15700)	DPD	Code Compliance (U2400)	\$68,000
Planning and Development Fund (15700)	DPD	Planning (U2900)	\$18,000
General Sub-fund (00100)	Finance General	Support to Operating Funds (2QE00)	\$86,000
<b>TOTAL</b>			<b>\$326,000</b>

9  
10           Section 3. Ratify and Confirm. Any act consistent with the authority of this ordinance  
11 taken after its passage and prior to its effective date is ratified and confirmed.

1           Section 4. Severability. The several provisions of this ordinance are declared to be  
2 separate and severable and an order of any court of competent jurisdiction holding invalid any  
3 clause, sentence, paragraph, subdivision, section, or portion of this ordinance, or holding invalid  
4 the application thereof to any person or circumstance shall not affect the validity of the  
5 remainder of this ordinance or the validity of its application to other persons or circumstances.

Substitute CB 118419

1 Section 5. This ordinance shall take effect and be in force 30 days after its approval by  
2 the Mayor, but if not approved and returned by the Mayor within ten days after presentation, it  
3 shall take effect as provided by Seattle Municipal Code Section 1.04.020.

4 Passed by a 3/4 vote of all the members of the City Council the \_\_\_\_ day of  
5 \_\_\_\_\_, 2015, and signed by me in open session in authentication of its  
6 passage this \_\_\_\_ day of \_\_\_\_\_, 2015.

7 \_\_\_\_\_  
8  
9 President \_\_\_\_\_ of the City Council

10  
11 Approved by me this \_\_\_\_ day of \_\_\_\_\_, 2015.

12  
13 \_\_\_\_\_  
14 Edward B. Murray, Mayor

15  
16 Filed by me this \_\_\_\_ day of \_\_\_\_\_, 2015.

17  
18 \_\_\_\_\_  
19 Monica Martinez Simmons, City Clerk

20  
21  
22 (Seal)