



## Washington State Liquor and Cannabis Board

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To: Association of Washington Cities  
1076 Franklin Street SE, Olympia, WA 98501-1346  
Attn: Deanna Dawson, CEO  
Date: October 30, 2024  
RE: Cannabis license rulemaking and economic study

Greetings Deanna Dawson,

On October 23, 2024, the Washington State Liquor and Cannabis Board (LCB) introduced an [updated draft rule](#) proposal for [WAC 314-55-570](#). This rule change is necessary to implement Engrossed Second Substitute Senate Bill ([E2SSB 5080](#)) for the Social Equity in Cannabis Program. Pursuant to E2SSB 5080, [RCW 69.50.335](#) now allows social equity applicants to locate their licensed business in any city, town, or county in Washington State. Once an applicant chooses a location, and it is approved, the applicant will not have mobility thereafter.

This new provision of law is important for local governments to know as [RCW 69.50.331\(11\)](#) does not allow the LCB to license a location if a local jurisdiction has an objection based on a pre-existing local ordinance limiting outlet density in a geographic area. The LCB will consider this type of objection if local ordinances are in effect prior to the registration window opening for applications. Our registration window is planned for early to mid-spring of 2025. E2SSB 5080, now codified as [RCW 69.50.335\(1\)\(e\)\(B\)\(ii\)](#), also requires LCB to “adopt rules establishing a threshold of the number of licenses created by this section that can be located in each county.”

Earlier this year, LCB contracted with Whitney Economics to conduct an independent analysis on the number of cannabis producer, processor, and retail licenses that *may* be economically viable in Washington through 2032. This analysis was in part to inform decision making pursuant to E2SSB 5080, as well as to comply with legislative mandates. Information about the Whitney Economics Report can either be found on our [LCB website](#) or directly at the links below:

- [Whitney Economics Report](#)
- [Key Takeaways from LCB](#)
- [Aug. 20 Board Caucus Presentation Recording](#)

Stay up to date by signing up for [agencywide email alerts](#) and following the [LCB Cannabis Social Equity Blog](#). Any input on the current draft rules can be emailed to the rules team at [rules@lcb.wa.gov](mailto:rules@lcb.wa.gov), and also participating in public comment during [Board meetings](#). A copy of the [presentation](#) to the Board on Oct.23, 2024, can also be found on our [laws and rules page](#).

We hope this information is helpful in keeping local government informed of regulatory changes occurring in the licensed cannabis marketplace.

Sincerely,

Justin Nordhorn  
Director of Policy and External Affairs  
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