SEATTLE CITY COUNCIL

Legislative Summary

CB 118419

Record No.: CB 118419 **Type:** Ordinance (Ord) **Status:** Passed

Version: 3 124807 **In Control:** City Clerk

File Created: 06/02/2015

Final Action: 07/17/2015

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

Notes:

	Date
Filed with City Clerk:	7/17/2015
Mayor's Signature:	7/17/2015
Vetoed by Mayor:	
Veto Overridden:	
Veto Sustained:	

Sponsors: Licata

Attachments:

Drafter: David B. Mendoza

Filing Requirements/Dept Action:

History of Legislative File **Legal Notice Published:** ☐ Yes ☐ No

Ver-sion:	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:
1	Mayor	06/04/2015	Mayor's leg transmitted to Council	City Clerk			
	Action Text: The Council Bill (CB) was Mayor's leg transmitted to Council. to the City Clerk						
	Notes:						
1	City Clerk	06/04/2015	sent for review	Council President's Office			
	Action Text: The Council Bill (CB) was sent for review. to the Council President's Office						
	Notes:						
1	Council President's Office	06/08/2015	sent for review	Finance and Culture Committee			
	Action Text: The Council Bill (CB) was sent for review. to the Finance and Culture Committee						
	Notes:						
1	Full Council	06/22/2015	referred	Finance and Culture Committee			

Action Text: The Council Bill (CB) was referred. to the Finance and Culture Committee
Notes:

1	Finance and Culture Committee	06/24/2015		

Action Text: Item was presented and discussed

1	Finance and Culture Committee	07/08/2015	pass as amended	Pass

Action Text: The Committee recommends that Full Council pass as amended the Council Bill (CB).
Notes:

In Favor: 3 Chair Licata, Vice Chair Godden, Member Burgess

Opposed: 0

2	Full Council	07/13/2015	passed	Pass

Action Text: The Council Bill (CB) was passed by the following vote and the President signed the Bill:
Notes:

In Favor: 9 Councilmember Bagshaw, Council President Burgess, Councilmember Godden, Councilmember Harrell, Councilmember Licata, Councilmember O'Brien, Councilmember Okamoto, Councilmember Rasmussen, Councilmember Sawant

Opposed: 0

3	City Clerk	07/14/2015	submitted for Mayor's signature	Mayor

Action Text: The Council Bill (CB) was submitted for Mayor's signature. to the Mayor
Notes:

3	Mayor	07/17/2015	Signed	

Action Text: The Council Bill (CB) was Signed.
Notes:

3	Mayor	07/17/2015	returned	City Clerk

Action Text: The Council Bill (CB) was returned. to the City Clerk
Notes:

3	City Clerk	07/17/2015	attested by City Clerk	

Action Text: The Ordinance (Ord) was attested by City Clerk.
Notes:

CITY OF SEATTLE

ORDINANCE 124807

COUNCIL BILL 118419

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

WHEREAS, the residents of the State of Washington voted in favor of Initiative 692 creating the Medical Use of Marijuana Act (MUCA);

WHEREAS, the MUCA does not create any legal right to grow, process, or distribute medical marijuana but only allows for an affirmative defense for patients and providers;

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

WHEREAS, public support for Initiative 502 was in large part driven by the desire to end criminalization of marijuana production, processing, and distribution;

WHEREAS, Initiative 502 creates a highly regulated system for the production, processing and distribution of marijuana for adult use;

WHEREAS, the Washington State Liquor and Cannabis Board (LCB) has allowed for the provision of 21 retail marijuana stores within the City of Seattle;

WHEREAS, 14 recreational marijuana retail stores have opened in the City of Seattle as of June 2, 2015;

WHEREAS, the Department of Finance and Administrative Services and the Department of Planning and Development have determined that there are approximately 99 medical marijuana retailers operating without licenses issued by the LCB in the City of Seattle;

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

WHEREAS, there have been numerous armed robberies and thefts of unlicensed marijuana businesses, endangering staff at these establishments and the surrounding community;

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

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

WHEREAS, the proliferation of unlicensed marijuana businesses has seen an attendant increase in elementary and secondary school students, who are not qualifying patients, accessing marijuana-infused products;

WHEREAS, 77 percent of drug/alcohol discipline incidents in Seattle public schools in 2014 involved marijuana;

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

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

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

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

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

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

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

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

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

Chapter 6.500 MARIJUANA BUSINESSES

6.500.010 Application of other provisions

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

6.500.020 Definitions

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

"Authorization" means a form developed by the Washington State Department of Health that is completed and signed by a qualifying patient's health care professional and printed on tamper-resistant paper.

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

"Department" means the Department of Finance and Administrative Services of The City of Seattle.

"Designated provider" means a person who is 21 years of age or older and:

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

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

1. a. Has an authorization from the qualifying patient's health care professional; or

b. Beginning July 1, 2016:

1) Has been entered into the medical marijuana authorization database as being the designated provider to a qualifying patient; and

2) Has been provided a recognition card;

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

4) Provides marijuana to only the qualifying patient that has designated him or her;

5) Is in compliance with the terms and conditions of RCW 69.51A; and

6) Is the designated provider to only one patient at any one time.

"Director" means the Director of the Department of Finance and Administrative Services of The City of Seattle or that Director's designee.

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

"Engaging in business" has the meaning provided in subsection 5.30.030.B.1.

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

"Health care professional" means a physician licensed under chapter 18.71 RCW, a physician assistant licensed under chapter 18.71A RCW, an osteopathic physician licensed under chapter 18.57 RCW, an osteopathic physicians' assistant licensed under chapter 18.57A RCW, a naturopath licensed under chapter 18.36A RCW, or an advanced registered nurse practitioner licensed under chapter 18.79 RCW.

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

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

"Marijuana concentrates" means products consisting wholly or in part of the resin extracted from any part of the plant *Cannabis* and having a THC concentration greater than ten percent.

"Marijuana processor" means a person licensed by the Washington State Liquor and Cannabis Board to process marijuana into marijuana concentrates, usable marijuana, and marijuana-infused products, package and label marijuana concentrates, usable marijuana, and marijuana-infused products for sale in retail outlets, and sell marijuana concentrates, usable marijuana, and marijuana-infused products at wholesale to marijuana retailers.

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

"Marijuana products" means usable marijuana, marijuana concentrates, and marijuana-infused products as defined in this Section.

"Marijuana-infused products" means products that contain marijuana or marijuana extracts, are intended for human use, are derived from marijuana, and have a THC concentration no greater than ten percent. The term "marijuana-infused products" does not include either usable marijuana or marijuana concentrates.

"Marijuana retailer" means a person licensed by the Washington State Liquor and Cannabis Board to sell marijuana concentrates, usable marijuana, and marijuana-infused products in a retail outlet.

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

"Medical marijuana establishment" means a marijuana business operating in compliance with chapter RCW 69.51A.

"Net profit" means gross sales minus cost of goods sold.

"Operator" means any person operating, conducting, or maintaining a marijuana business.

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

"Premises" means the building and land upon which a marijuana producer, processor, or retailer is located.

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

"Produce" means to plant, grow, or harvest marijuana for medical or recreational use.

"Qualifying patient" means a person who:

1. a. Is a patient of a health care professional;

b. Has been diagnosed by that health care professional as having a terminal or debilitating medical condition;

c. Is a resident of the state of Washington at the time of such diagnosis;

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

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

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

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

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

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

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

"Tamper-resistant paper" means paper that meets one or more of the following industry-recognized features:

1. One or more features designed to prevent copying of the paper;

2. One or more features designed to prevent the erasure or modification of information on the paper; or

3. One or more features designed to prevent the use of counterfeit authorization.

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

"True party of interest" means:

1. For a sole proprietorship, the sole proprietor and spouse.

2. For a general partnership, all partners and their spouses.

3. For a limited partnership, limited liability partnership, or limited liability limited partnership, all general partners and their spouses and all limited partners and their spouses.

4. For a limited liability company, all members and their spouses, and all managers and their spouses.

5. For a privately held corporation, all corporate officers (or persons with equivalent title) and their spouses, and all stockholders and their spouses.

6. For a publicly held corporation, all corporate officers (or persons with equivalent title) and their spouses, and all stockholders and their spouses.

7. For multilevel ownership structures, all persons and entities that make up the ownership structure and their spouses.

8. Any entity or person (inclusive of financiers) that is expecting a percentage of the profits in exchange for a monetary loan or expertise, any entity or person who is in receipt of, or has the right to receive, a percentage of the gross or net profit from the licensed business

during any full or partial calendar or fiscal year, or any entity or person who exercises control over the licensed business in exchange for money or expertise.

"True party of interest" does not mean:

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

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

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

"Usable Marijuana" means dried marijuana flowers. The term "usable marijuana" does not include either marijuana-infused products or marijuana concentrates.

6.500.030 License required

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

6.500.040 General provisions

A. No license shall be approved under this Chapter 6.500 for any marijuana business located on federal lands.

B. No marijuana business shall be located within another business. More than one marijuana business licensee may be located in the same building if each licensee has their own area physically separated with their own entrance. Marijuana and marijuana products shall not be commingled.

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

D. Licensees shall not allow the consumption of marijuana or marijuana products on the licensed premises.

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

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

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

6.500.050 License applications

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

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

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

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

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

D. Marijuana businesses that are not located within the City but provide marijuana businesses located in Seattle with marijuana or marijuana products must obtain a license under this Chapter 6.500. Only those persons that have a license issued by the Washington State Liquor and Cannabis Board may obtain a license under this Chapter 6.500.

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

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

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

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

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

6.500.060 License—Applicant investigation

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

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

6.500.070 Inspection of premises

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

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

6.500.080 License fees

A. The following application fees shall apply:

1. Marijuana Business License - Located in Seattle	$1,000
2. Marijuana Business License - Located outside Seattle	$500
3. Marijuana Business License - Reinspection, Reinstatement Relocation of Physical Address Fee	$250

B. Application fees are non-refundable.

6.500.090 Issuance of licenses

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

1. The application does not meet the requirements of this Chapter 6.500; or

2. The applicant or any employee, agent, partner, director, officer, or manager has knowingly made any false, misleading, or fraudulent omission or statement of material fact in the application for a license, or in any report or record required to be filed with the Director; or

3. The applicant or any employee, agent, partner, director, officer, or manager of the applicant has not attained the age of 21 years at the time that the application was submitted; or

4. The applicant or any employee, agent, partner, director, officer, or manager of the applicant is currently the subject of a final license suspension or revocation order issued

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

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

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

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

B. No license shall be issued to:

1. A person under the age of 21 years;

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

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

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

6.500.100 State regulatory provisions; Director to adopt rules

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

6.500.110 Restricted access for persons under 21 years of age

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

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

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

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

6.500.120 License – Transfer of interest

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

6.500.130 Change of location

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

6.500.140 License suspension

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

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

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

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

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

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

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

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

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

6.500.145 License revocation

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

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

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

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

6.500.147 Suspension or revocation; effective date; length

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

B. Length of suspensions

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

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

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

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

a. Are required to comply with all applicable laws;

b. Shall not remove, alter, or cover the posted suspension notice, and may not permit another person to do so;

c. Shall not place or permit the placement of any statement on the licensed premises indicating that the premises has been closed for any reason other than as stated in the suspension notice;

d. Shall not advertise by any means that the licensed premises is closed for any reason other than as stated in the suspension notice.

4. During the period of license suspension:

a. The licensee shall not operate the marijuana business; and

b. No sale, delivery, service, destruction, removal, or receipt of marijuana or marijuana products shall be conducted by the licensee.

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

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

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

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

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

6.500.150 License—Summary suspension

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

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

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

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

6.500.160 Seizure or confiscation of marijuana and marijuana products

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

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

6.500.170 Penalties

A. Civil Violations

The violation or failure to comply with any provision of this Chapter 6.500 shall constitute a civil violation and shall be enforced under the citation provisions set forth in this Section 6.500.170 by the Director, provided, however, that this Section 6.500.170 shall not be

construed as preventing the enforcement of alternative criminal penalties under Section 6.500.175.

B. Citation

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

2. The citation may be served by personal service in the manner set forth in RCW 4.28.080 for service of a summons or sent by first class mail, addressed to the last known address of such person(s). Service shall be complete at the time of personal service, or if mailed, on the date of mailing. If a citation sent by first class mail is returned as

undeliverable, service may be made by posting the citation at a conspicuous place on the property.

C. Response to Citation

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

1. Paying the amount of the monetary penalty specified in the citation, in which case the record shall show a finding that the person cited committed the violation; or

2. Requesting in writing a mitigation hearing to explain the circumstances surrounding the commission of the violation and providing an address to which notice of such hearing may be sent; or

3. Requesting a contested hearing in writing specifying the reason why the cited violation did not occur or why the person cited is not responsible for the violation, and providing an address to which notice of such hearing may be sent.

4. A response to a citation must be received by the Office of the Hearing Examiner no later than 15 days after the date the citation is served. When the last day of the appeal period so computed is a Saturday, Sunday, or federal or City holiday, the period shall run until 5 p.m. on the next business day.

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

E. Mitigation hearings

1. Date and Notice. If a person requests a mitigation hearing, the mitigation hearing shall be held within 30 days after written response to the citation requesting a hearing is received by the Hearing Examiner. Notice of the time, place, and date of the hearing shall be

sent to the address specified in the request for hearing not less than ten days before the date of the hearing.

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

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

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

F. Contested hearing

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

2. Hearing. Contested hearings shall be conducted pursuant to the procedures for hearing contested cases contained in Section 3.02.090 and the rules adopted by the Hearing Examiner for hearing contested cases, except as modified by this Section 6.500.170. The

issues heard at the hearing shall be limited to those that are raised in writing in the response to the citation and that are within the jurisdiction of the Hearing Examiner. The Hearing Examiner may issue subpoenas for the attendance of witnesses and the production of documents.

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

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

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

6. Disposition. The Hearing Examiner shall determine by a preponderance of the evidence whether the violation occurred. If the Hearing Examiner determines that the violation occurred, the citation shall be sustained and the Hearing Examiner shall enter an order finding that the person cited committed the violation and imposing the applicable

penalty. If the Hearing Examiner determines that the violation did not occur, the Hearing Examiner shall enter an order dismissing the citation.

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

G. Failure to appear for hearing

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

H. Penalties

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

a. $500 for the first violation, and

b. $1,000 for each subsequent violation within a 12-month period.

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

a. $1,000 for the first violation, and

b. $1,500 for each subsequent violation within a six-month period.

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

I. Collection of penalties

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

J. Each day a separate violation

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

6.500.175 Alternative criminal penalty

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

6.500.178 Additional relief

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

Section 2. In order to pay for necessary costs and expenses incurred or to be incurred in order to implement this Chapter but for which insufficient appropriations were made due to causes that could not reasonably have been foreseen at the time the 2015 Budget was adopted,

appropriations for the following items in the 2015 budget are increased from the funds shown, as 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
TOTAL			**$326,000**

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

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

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

Passed by a 3/4 vote of all the members of the City Council the 13th day of July, 2015, and signed by me in open session in authentication of its passage this 13th day of July, 2015.

President _____ of the City Council

Approved by me this 17 day of July, 2015.

Edward B. Murray, Mayor

Filed by me this 17th day of July, 2015.

Monica Martinez Simmons, City Clerk

(Seal)

STATE OF WASHINGTON -- KING COUNTY

--ss.

326943

No. 124810,809,808,807,806

CITY OF SEATTLE,CLERKS OFFICE

Affidavit of Publication

The undersigned, on oath states that he is an authorized representative of The Daily Journal of Commerce, a daily newspaper, which newspaper is a legal newspaper of general circulation and it is now and has been for more than six months prior to the date of publication hereinafter referred to, published in the English language continuously as a daily newspaper in Seattle, King County, Washington, and it is now and during all of said time was printed in an office maintained at the aforesaid place of publication of this newspaper. The Daily Journal of Commerce was on the 12th day of June, 1941, approved as a legal newspaper by the Superior Court of King County.

The notice in the exact form annexed, was published in regular issues of The Daily Journal of Commerce, which was regularly distributed to its subscribers during the below stated period. The annexed notice, a

CT:TITLE ONLY RESOLUTION

was published on

07/31/15

The amount of the fee charged for the foregoing publication is the sum of $108.50 which amount has been paid in full.

Subscribed and sworn to before me on

07/31/2015

Notary public for the State of Washington,
residing in Seattle

State of Washington, King County

City of Seattle

Title Only Ordinances

The full text of the following legislation, passed by the City Council on July 13, 2015, and published below by title only, will be mailed upon request, or can be accessed at http://clerk.seattle.gov. For information on upcoming meetings of the Seattle City Council, please visit http://www.seattle.gov/council/calendar.

Contact: Office of the City Clerk at (206) 684-8344.

Ordinance 124810

AN ORDINANCE related to cable television; authorizing the Mayor or his designee to enter into a new Cable Television Franchise Agreement and an agreement regarding additional public benefits with Qwest Broadband Services, Inc. d/b/a CenturyLink; authorizing the Chief Technology Officer to enter into other agreements for the purpose of implementing or administering the new franchise; increasing appropriations in the 2015 budget of the Department of Information Technology for costs incurred in processing the franchise application; and transferring cash received for processing the franchise application; all by a 3/4 vote of the City Council.

Ordinance 124809

AN ORDINANCE providing the Office of City Auditor independent audit authority, including access to employer records, after a case is closed by the Seattle Office for Civil Rights (SOCR) in order to evaluate SOCR's enforcement efforts of Chapters 14.16, 14.17, 14.19, and 14.20 of the Seattle Municipal Code (SMC); amending Sections 3.40.040, 14.16.060, and 14.20.060 of the SMC; and creating a new Section 14.19.065 of the SMC.

Ordinance 124808

AN ORDINANCE related to business licenses; amending Sections 5.30.030, 5.30.060, 5.32.150, 5.40.060, 5.40.080, 5.40.085, 5.45.110, 5.55.030, 5.55.040, 5.55.220, and 5.55.230 of the Seattle Municipal Code; and adding a new Section 5.55.238 to the Seattle Municipal Code.

Ordinance 124807

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

Ordinance 124806

AN ORDINANCE relating to the City Light Department; approving a 15-year franchise to construct, operate, maintain, replace, and repair an electrical light and power system in, across, over, along, under, through, and below certain designated public rights-of-way in the City of Lake Forest Park.

Date of publication in the Seattle Daily Journal of Commerce, July 31, 2015.

7/31(326943)