



Washington State Liquor Control Board

Proposed Rules Highlights

July 3, 2013

LCB Rulemaking Objective

- o Creating a tightly controlled and regulated marijuana market;
- o Including strict controls to prevent diversion, illegal sales, and sales to minors; and
- o Providing reasonable access to products to mitigate the illicit market.

LCB Role and Responsibility

- o Ensuring public safety is the top priority;
- o Creating a three-tier regulatory system for marijuana;
- o Creating licenses for producers, processors, and retailers;
- o Enforcing laws and rules pertaining to licensees; and
- o Collecting and distributing taxes.

Proposed Rules Highlights

License Requirements

- **30 day window**
 - o The LCB will open registration for all license types for a 30 calendar day window (mid-September)
 - o LCB may extend the time or reopen application window at its discretion
- **State Residency Requirement**
 - o I-502 requires a three month state residency requirement (all license structure types)
- **Background Checks**
 - o Personal criminal history form with license forfeiture if incomplete or incorrect
 - o Fingerprinting of all potential licensees
 - o Background checks of license applicants and financiers
- **Point System**
 - o The LCB will apply a disqualifying point system similar to liquor
 - o Rules allow exceptions for two misdemeanor convictions of possession w/in three years
- **Costs and Fees**
 - o \$250 application fee
 - o \$1,000 annual renewal fee
 - o Additional fees for background check and filing for local business license
- **Taxes**
 - o License applicants must submit a signed attestation that they are current on taxes owed to the Washington State Department of Revenue.

Public Safety

- **Producer Structures**
 - o Rules allow producer operations in secure: indoor and outdoor grows as well as greenhouses

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- **Traceability**
 - o LCB will employ a robust and comprehensive traceability system (software) that will trace product from seed/clone to sale.
 - o LCB enforcement can match records to actual product on hand.
- **Background Checks**
 - o Personal criminal history form
 - o Fingerprinting of all potential licensees
 - o WSP and FBI back background checks of licensees and financiers
- **Point System**
 - o LCB will apply a disqualifying point system similar to liquor (exceptions for possession)
- **Violation Guidelines / Standard Administrative Procedures Act Guidelines**
 - o \$1,000 criminal penalty for sales to a minor
 - o Sets strict tiered system of violation record over a three year period
 - Group 1 public safety:
 - First violation: 10 day suspension or \$2,500
 - Second violation: 30 day suspension
 - Third violation: license cancellation
- **Child Resistant Packaging**
 - o Specific requirements for marijuana and marijuana-infused products in solid and liquid forms
- **Security and Safeguards**
 - o Alarm and surveillance video camera requirements (including minimum pixels and lockbox encasement)
 - o Strict transportation and record keeping requirements (no third party transport of product)
 - o Hours of operation limited to 8:00 a.m. to 12:00 a.m.
- **Advertising Restrictions**
 - o Law restricts advertising within 1,000 feet of schools, public parks, transit centers, arcades, and other areas where children are present.

- o May not contain statements or illustrations that: is false or misleading, promotes over consumption, represents that the use of marijuana has curative or therapeutic effects, depicts a child or may be appealing to children.
- **Limits on Retail Stores**
 - o LCB to provide advance notice to local authority
 - o Per I-502, LCB to determine number of retail outlets per county
 - LCB to hold county-by-county lottery accounting for population distribution
 - BOTEK Analysis Corporation determining county consumption levels.
 - Consumption will drive number of retail outlets.

Consumer Safety

- **Behind the counter storage**
 - o No open containers or handling of product
 - o Sniff jars with sealed, screened-top lids allowed
- **Strict packaging and label requirements**
 - o Limited servings and concentration per package
 - o Lot number
 - o Warning label
 - o Net weight
 - o Concentration of THC and five other cannabinoids
 - o Usage warnings (specific warning for ingestible foods/liquids about effect delays)
 - o Upon request
 - Third party lab that tested lot and results
 - All pesticides, herbicides, fungicides found in product
- **Defined Serving Size**
 - o Defined serving sizes on marijuana-infused product label
 - 10 mg of THC per serving
 - 100 mg of THC per product
- **Lab Tested and Approved (monograph)**
 - o All lots will be tested by independent accredited labs
 - o Established and uniform testing standards
- **Store Signage and Product Warnings**
 - o No minors allowed in stores
 - o Required product and usage signs within stores

For more information regarding Initiative 502, please visit the Liquor Control Board website at www.liq.wa.gov.

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