



Washington State Liquor Control Board

DATE: February 12, 2014

TO: Alan E. Rathbun, Licensing Director

FROM: Sharon Foster, Board Chair
Ruthann Kurose, Board Member
Chris Marr, Board Member

CC: Rick Garza, Director

SUBJECT: Threshold Decision Delegation (Marijuana) to the Licensing Division

In addition to the delegation of authority codified in WAC 314-07-121, the Board in 2012 delegated the authority to make various decisions to the Licensing Division of the Board. This document includes specific delegated authority. If not listed in this delegation, in the Board's rules, or other specific delegations, the threshold decision will be made by the Board.

With the enactment of Initiative 502 and the authority to accept applications and issue licenses for the production, processing, and retail sale of marijuana, the Board wishes to delegate the threshold decision on marijuana licenses to the Licensing Director, with the authority for the Licensing Director to further delegate work associated with those decisions to others working under his supervision. RCW 69.50.331 authorizes the Board to delegate the authority to approve an uncontested or unopposed license to any staff member the Board designates in writing.

The Board wishes to delegate certain marijuana licensing decisions to the Licensing Director without the ability to further delegate those decisions, and to authorize the Licensing Director to further delegate other decisions, as set out below.

The Board Retains Decision-Making Responsibility Related To:

- Applications for marijuana licenses for locations within the exterior boundaries of any Indian reservation situated in the State of Washington, including consideration of any objections from the tribe occupying the reservation. This applies to all locations within those reservation boundaries, including incorporated and unincorporated areas.
- Determinations that issuance of license will not be in the best interest of the welfare, health or safety of the people of the state.
- Exceptions to denial of license based on criminal history point assignment, as outlined in WAC 314-55-040.

Threshold decisions, with a statement of intent issued by Licensing, are not final until the Board has issued a final order.

LICENSING DIRECTOR

The Licensing Director will make the threshold decision on any file that has or appears to generate significant controversy in his opinion. In addition, the Licensing Director will make the following threshold decisions:

License Applications

The Licensing Director will make the threshold decision on license applications involving objections from local authorities under RCW 69.50.331(7); 314-55-050(9), (e.g., city, county, port authority; the objections may be in combination with other objections). This includes the authority to grant or deny a request for hearing made by a local authority

Non-Renewal of a License

Where there are objections to renewal of a license by the local jurisdiction.

DELEGATION OF THRESHOLD DETERMINATIONS

The Licensing Director may delegate the following threshold decisions to the Licensing and Regulation Division Compliance and Policy Manager or to the Marijuana Licensing Manager:

License Applications: (denial, suspension or cancellation) based on WAC 314-55-040 through 050:

- Licensing actions based on distance, e.g., Within 1000 feet of locations listed in WAC 314-55-050(10),
- Where a Citizen or Community group objects to issuance or renewal of the license.

License Applications where applicant does not qualify for a license based on one or more of the following factors:

- Misrepresentation of Fact WAC 314-55-050(3)
- Criminal History (disregard for laws and regulations) WAC 314-55-050 (4) and WAC 314-55-045
- Violation History (disregard for marijuana laws and regulations) WAC 314-55-050(5) and 314-44-045
- Has been denied or had marijuana license or medical marijuana license suspended or canceled in another state or local jurisdiction WAC 314-55-050(8)
- Failure to pay taxes or fees, or failure to provide required reports WAC 314-55-050 (11)
- Failure/Refusal to submit documents or denies board access WAC 314-55-050 (2), (7)

- Failure to provide attestation that is current on tax obligations to DOR WAC 314-55-050 (12)
- Failure to meet requirements of license applied for WAC 314-55-050 (1)
- Questionable or unverified Source of funds WAC 314-55-050(6)
- True Party of Interest not identified/hidden ownership
- Operating plan does not demonstrate applicant is qualified WAC 314-55-050(14)
- Failure to operate in accord with board-approved operating plan WAC 314-55-050(15)
- Denial or suspension or cancellation of liquor license in Washington or another state WAC 314-55-050(13)

License Restrictions

Those reasons that could cause restrictions to be imposed on license:

- Person associated with applicant has problem history, i.e. past violation history with the board, past license cancellation, past denial, criminal history or any other disqualifying or problem issue.
- Restrictions Regulatory Exceptions (applies to existing license holders)
- Restrictions on plant canopy production based on state-wide production cap (WAC 314-55-075(8))

License Revocation/Suspension

- Seek revocation or suspension of a marijuana license due to the licensee’s failure to pay taxes and/or fees to the LCB.
- Criminal conduct on the part of the licensee is discovered
- Licensee fails to provide required documentation for change in ownership structure.

APPROVED this 12 day of February, 2014


 Sharon Foster
 Board Chair


 Ruthann Kurose
 Board Member


 Chris Marr
 Board Member