AMENDATORY SECTION (Amending WSR 15-11-107, filed 5/20/15, effective 6/20/15)

WAC 314-55-010 Definitions. Following are definitions for the purpose of this chapter. Other definitions are in RCW 69.50.101.

(1) "Applicant" or "marijuana license applicant" means any person or business entity who is considered by the ((~~board~~)) WSLCB as a true party of interest in a marijuana license, as outlined in WAC 314-55-035. However, for purposes of determining an application's priority under RCW 69.50.331 (1)(a), only the person or business entity that is applying for the license will be considered the applicant.

(2) "Batch" means a quantity of marijuana-infused product containing material from one or more lots of marijuana.

(3) "Business name" or "trade name" means the name of a licensed business as used by the licensee on signs and advertising.

(4) "Child care center" means an entity that regularly provides child day care and early learning services for a group of children for periods of less than twenty-four hours licensed by the Washington state department of early learning under chapter 170-295 WAC.

(5) "Consultant" means an expert who provides advice or services in a particular field, whether a fee is charged or not. A consultant 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 is a true party of interest and subject to the requirements of WAC 314-55-035. A consultant who exercises any control over an applicant's or licensee's business operations is also subject to the requirements of WAC 314-55-035(4).

(6) "Cooperative" means a group of more than one, but no more than four qualified medical marijuana patients and/or designated providers who share responsibility for growing and processing marijuana only for the medical use of the members of the cooperative.

(7) "Domicile" means a person's true, fixed, primary permanent home and place of habitation and the tax parcel on which it is located. It is the place where the person intends to remain and to which the person expects to return when the person leaves without intending to establish a new domicile elsewhere.

(8) "Elementary school" means a school for early education that provides the first four to eight years of basic education and recognized by the Washington state superintendent of public instruction.

((~~(7)~~)) (9) "Employee" means any person performing services on a licensed premises for the benefit of the licensee whether or not such person is compensated by the licensee.

((~~(8)~~)) (10) "Financier" means any person or entity, other than a banking institution, that has made or will make an investment in the licensed business. A financier can be a person or entity that provides money as a gift, loans money to the applicant/business and expects to be paid back the amount of the loan with or without interest, or expects any percentage of the profits from the business in exchange for a loan or expertise.

((~~(9)~~)) (11) "Game arcade" means an entertainment venue featuring primarily video games, simulators, and/or other amusement devices where persons under twenty-one years of age are not restricted.

((~~(10)~~)) (12) "Intermediate product" means marijuana flower lots or other material lots that have been converted by a marijuana processor to a marijuana concentrate or marijuana-infused product that must be further processed prior to retail sale.

((~~(11)~~)) (13) "Library" means an organized collection of resources made accessible to the public for reference or borrowing supported with money derived from taxation.

((~~(12)~~)) (14) "Licensed premises" means all areas of a premises under the legal control of the licensee and all areas immediately adjacent and available to or used by customers or employees in the conduct of business operations. Any vehicle assigned for the purposes of transporting marijuana, usable marijuana, marijuana concentrates, or marijuana-infused products shall be considered an extension of the licensed premises.

(15) "Licensee" or "marijuana licensee" means any person or entity that holds a marijuana license, or any person or entity who is a true party of interest in a marijuana license, as outlined in WAC 314-55-035.

((~~(13)~~)) (16) "Lot" means either of the following:

(a) The flowers from one or more marijuana plants of the same strain. A single lot of flowers cannot weigh more than five pounds; or

(b) The trim, leaves, or other plant matter from one or more marijuana plants. A single lot of trim, leaves, or other plant matter cannot weigh more than fifteen pounds.

((~~(14)~~)) (17) "Marijuana strain" means a pure breed or hybrid variety of Cannabis reflecting similar or identical combinations of properties such as appearance, taste, color, smell, cannabinoid profile, and potency.

((~~(15)~~)) (18) "Member" means a principal or governing person of a given entity, including but not limited to: LLC member/manager, president, vice-president, secretary, treasurer, CEO, director, stockholder, partner, general partner, limited partner. This includes all spouses of all principals or governing persons named in this definition and referenced in WAC 314-55-035.

((~~(16)~~)) (19) "Paraphernalia" means items used for the storage or use of usable marijuana, marijuana concentrates, or marijuana-infused products, such as, but not limited to, lighters, roach clips, pipes, rolling papers, bongs, and storage containers. Items for growing, cultivating, and processing marijuana, such as, but not limited to, butane, lights, and chemicals are not considered "paraphernalia."

((~~(17)~~)) (20) "Pesticide" means, but is not limited to: (a) Any substance or mixture of substances intended to prevent, destroy, control, repel, or mitigate any insect, rodent, snail, slug, fungus, weed, and any other form of plant or animal life or virus, except virus on or in a living person or other animal which is normally considered to be a pest; (b) any substance or mixture of substances intended to be used as a plant regulator, defoliant, or desiccant; and (c) any spray adjuvant. Pesticides include substances commonly referred to as herbicides, fungicides, insecticides, and cloning agents.

((~~(18)~~)) (21) "Perimeter" means a property line that encloses an area.

((~~(19)~~)) (22) "Plant" means a marijuana plant.

(23) "Plant canopy" means the square footage dedicated to live plant production, such as maintaining mother plants, propagating plants from seed to plant tissue, clones, vegetative or flowering area. Plant canopy does not include areas such as space used for the storage of fertilizers, pesticides, or other products, quarantine, office space, etc.

((~~(20)~~)) (24) "Playground" means a public outdoor recreation area for children, usually equipped with swings, slides, and other play-

ground equipment, owned and/or managed by a city, county, state, or federal government.

((~~(21)~~)) (25) "Public park" means an area of land for the enjoyment of the public, having facilities for rest and/or recreation, such as a baseball diamond or basketball court, owned and/or managed by a city, county, state, federal government, or metropolitan park district. Public park does not include trails.

((~~(22)~~)) (26) "Public transit center" means a facility located outside of the public right of way that is owned and managed by a transit agency or city, county, state, or federal government for the express purpose of staging people and vehicles where several bus or other transit routes converge. They serve as efficient hubs to allow bus riders from various locations to assemble at a central point to take advantage of express trips or other route to route transfers.

((~~(23)~~)) (27) "Recreation center or facility" means a supervised center that provides a broad range of activities and events intended primarily for use by persons under twenty-one years of age, owned and/or managed by a charitable nonprofit organization, city, county, state, or federal government.

((~~(24)~~)) (28) "Residence" means a person's address where he or she physically resides and maintains his or her abode.

((~~(25)~~)) (29) "Secondary school" means a high and/or middle school: A school for students who have completed their primary education, usually attended by children in grades seven to twelve and recognized by the Washington state superintendent of public instruction.

((~~(26)~~)) (30) "Selling price" means the same meaning as in RCW 82.08.010, except that when the product is sold under circumstances where the total amount of consideration paid for the product is not indicative of its true value. Selling price means the true value of the product sold as determined or agreed to by the ((~~board~~)) WSLCB. For purposes of this subsection:

(a) "Product" means marijuana, marijuana concentrates, usable marijuana, and marijuana-infused products; and

(b) "True value" means market value based on sales at comparable locations in the state of the same or similar product of like quality and character sold under comparable conditions of sale to comparable purchasers. In the absence of such sales of the same or similar product, true value means the value of the product sold as determined by all of the seller's direct and indirect costs attributed to the product.

((~~(27)~~)) (31) "Unit" means an individually packaged marijuana-infused solid or liquid product meant to be eaten or swallowed, not to exceed ten servings or one hundred milligrams of active tetrahydrocannabinol (THC), or Delta 9.

(32) "WSLCB" means the Washington state liquor and cannabis board.

AMENDATORY SECTION (Amending WSR 15-11-107, filed 5/20/15, effective 6/20/15)

WAC 314-55-015 General information about marijuana licenses. (1) A person or entity must meet certain qualifications to receive a marijuana license, which are continuing qualifications in order to maintain the license.

(2) All applicants and employees working in each licensed establishment must be at least twenty-one years of age. No one under twenty-one years of age is allowed to enter or remain on a marijuana licensed premises except as provided in RCW 69.50.357.

(3) Minors restricted signs must be posted at all marijuana licensed premises.

(4) A marijuana license applicant may not exercise any of the privileges of a marijuana license until the ((~~board~~)) WSLCB approves the license application.

(5) The ((~~board~~)) WSLCB will not approve any marijuana license for a location where law enforcement access, without notice or cause, is limited. This includes a personal residence.

(6) The ((~~board~~)) WSLCB will not approve any marijuana license for a location on federal lands.

(7) The ((~~board~~)) WSLCB will not approve any marijuana retailer license for a location within another business. More than one license could be located in the same building if each licensee has their own area separated by full walls with their own entrance. Product may not be commingled.

(8) Every marijuana licensee must post and keep posted its license, or licenses, and any additional correspondence containing conditions and restrictions imposed by the ((~~board~~)) WSLCB in a conspicuous place on the premises.

(9) In approving a marijuana license, the ((~~board~~)) WSLCB reserves the right to impose special conditions as to the involvement in the operations of the licensed business of any former licensees, their former employees, or any person who does not qualify for a marijuana license.

(10) A marijuana producer, processor or retailer licensed by the ((~~board shall~~)) WSLCB must conduct the production, processing, storage, and sale of marijuana-infused products using sanitary practices ((~~and ensure marijuana-infused edible processing facilities are constructed, kept, and maintained in a clean and sanitary condition in accordance with rules and as prescribed by the Washington state department of agriculture under chapters 16-165 and 16-167 WAC~~)).

(11) A marijuana processor licensed by the board must ensure marijuana-infused edible processing facilities are constructed, kept, and maintained in a clean and sanitary condition in accordance with rules and as prescribed by the Washington state department of agriculture under chapters 16-165 and 16-167 WAC.

(12) Marijuana licensees may not allow the consumption of marijuana or marijuana-infused products on the licensed premises.

AMENDATORY SECTION (Amending WSR 15-11-107, filed 5/20/15, effective 6/20/15)

WAC 314-55-018 Prohibited practices—Money advances—Contracts—Gifts—Rebates, etc. (1) No industry member or marijuana retailer shall enter into any agreement which causes undue influence over another retailer or industry member. This rule shall not be construed as prohibiting the placing and accepting of orders for the purchase and delivery of marijuana that are made in accordance with usual and com-

mon business practice and that are otherwise in compliance with the rules.

(2) No marijuana producer or processor shall advance and no marijuana ((~~retailer~~)) licensee shall receive money or moneys' worth under an agreement written or unwritten or by means of any other business practice or arrangement such as:

(a) Gifts;

(b) Discounts;

(c) Loans of money;

(d) Premiums;

(e) Rebates;

(f) Free product of any kind except as allowed by WAC 314-55-083; or

(g) Treats or services of any nature whatsoever except such services as are authorized in this rule.

(3) "Industry member" means a licensed marijuana producer, marijuana processor, marijuana retailer, their authorized representatives, and any affiliates, subsidiaries, officers, partners, financiers, agents, employees, and representatives of any industry member.

(4) No industry member or employee thereof shall sell to any ((~~retail~~)) marijuana licensee or solicit from any such licensee any order for any marijuana tied in with, or contingent upon, the ((~~retailer's~~)) licensee's purchase of some other marijuana, or any other merchandise, paraphernalia, property, or service.

(5) If the ((~~board~~)) WSLCB finds in any instance that any licensee has violated this regulation, then all licensees involved shall be held equally responsible for such violation.

AMENDATORY SECTION (Amending WSR 15-11-107, filed 5/20/15, effective 6/20/15)

WAC 314-55-020 Marijuana license qualifications and application process. Each marijuana license application is unique and investigated individually. The ((~~board~~)) WSLCB may inquire and request documents regarding all matters in connection with the marijuana license application. The application requirements for a marijuana license include, but are not necessarily limited to, the following:

(1) Per RCW 69.50.331, the ((~~board~~)) WSLCB shall send a notice to cities and counties, and may send a notice to tribal governments or port authorities regarding the marijuana license application. The local authority has twenty days to respond with a recommendation to approve or an objection to the applicant, location, or both.

(2) Applicants for a new marijuana producer, processor, or retailer license and those who apply to change their location must display a sign provided by the WSLCB on the outside of the premises to be licensed notifying the public that the premises are subject to an application for a marijuana license. Posting notices must occur within seven days of submitting the location confirmation form for new licenses or the change of location application for existing licensees. The WSLCB may check for compliance with this requirement at its discretion. The sign must:

(a) Not be altered. The licensee must post the sign sent by the WSLCB without changing, adding, or subtracting from the text;

(b) Be conspicuously displayed on, or immediately adjacent to, the premises subject to the application and in the location that is most likely to be seen by the public;

(c) Be of a size sufficient to ensure that it will be readily seen by the public, at a minimum these signs must be eight and one-half by eleven inches;

(d) Be posted within seven business days of the date the notice is sent to the applicant by the WSLCB; and

(e) The notice must be posted for fourteen consecutive days.

(3) The WSLCB will use a priority system to determine the order that marijuana retailers are licensed.

(a) **First priority is given to applicants who:**

(i) Applied to the state liquor and cannabis board for a marijuana retail license prior to July 1, 2014. To meet this qualification, the applicant must provide the WSLCB a copy of the master business license from department of revenue business licensing service showing the applicant applied for a retail marijuana license prior to July 1, 2014;

(ii) Operated or were employed by a collective garden before January 1, 2013. To meet this qualification, the applicant must provide the WSLCB with a copy of the master business from department of revenue business licensing service showing the applicant owned a collective garden prior to January 1, 2013, or a pay stub or tax information indicating that the applicant was employed by a collective garden prior to January 1, 2013;

(iii) Have maintained a state business license and municipal business license, as applicable in the relevant jurisdiction. To meet this qualification, the applicant must provide the WSLCB a copy of the master business license from department of revenue business licensing service and copies of municipal business licenses from January 1, 2013, through the date of application; and

(iv) Have had a history of paying all applicable state taxes and fees. To meet this qualification, the applicant must provide the WSLCB evidence from the department of revenue, department of labor and industries, and the employment security department that the entity is up to date on all applicable state taxes since January 1, 2013, and that they have paid all applicable fees to the WSLCB for all businesses they are engaged in since January 1, 2013.

(b) **Second priority is given to applicants who:**

(i) Operated or were employed by a collective garden before January 1, 2013. To meet this qualification, the applicant must provide the WSLCB a copy of the master business license from department of revenue business licensing service showing the applicant owned a collective garden prior to January 1, 2013, or a pay stub or tax information indicating that the applicant was employed by a collective garden prior to January 1, 2013;

(ii) Have maintained a state business license and municipal business license, as applicable in the relevant jurisdiction. To meet this qualification, the applicant must provide the WSLCB a copy of the master business license from department of revenue business licensing service and copies of municipal business licenses from January 1, 2013, through the date of application; and

(iii) Have had a history of paying all applicable state taxes and fees. To meet this qualification, the applicant must provide the WSLCB evidence from the department of revenue, the department of labor and industries, and the employment security department that the entity is up to date on all applicable state taxes since January 1, 2013, and

that they have paid all applicable fees to the WSLCB for all businesses they are engaged in since January 1, 2013, for all businesses they are engaged in since January 1, 2013.

(c) **Third priority is given to all other applicants who do not meet the qualifications and experience identified for priority one or two.**

(4) All marijuana retail applicants must meet the qualifications required by the WSLCB before they will be granted a license regardless of priority.

(5) The ((~~board~~)) WSLCB will verify that the proposed business meets the minimum requirements for the type of marijuana license requested.

((~~(3)~~)) (6) The ((~~board~~)) WSLCB will conduct an investigation of the applicants' criminal history and administrative violation history, per WAC 314-55-040 and 314-55-045.

(a) The criminal history background check will consist of completion of a personal/criminal history form provided by the ((~~board~~)) WSLCB and submission of fingerprints to a vendor approved by the ((~~board~~)) WSLCB. The applicant will be responsible for paying all fees required by the vendor for fingerprinting. These fingerprints will be submitted to the Washington state patrol and the Federal Bureau of Investigation for comparison to their criminal records. The applicant will be responsible for paying all fees required by the Washington state patrol and the Federal Bureau of Investigation.

(b) Financiers will also be subject to criminal history investigations equivalent to that of the license applicant. Financiers will also be responsible for paying all fees required for the criminal history check. ((~~Financiers must meet the three month residency requirement.~~

~~(4)~~)) (7) The ((~~board~~)) WSLCB will conduct a financial investigation in order to verify the source of funds used for the acquisition and startup of the business, the applicants' right to the real and personal property, and to verify the true party(ies) of interest.

((~~(5)~~)) (8) The ((~~board~~)) WSLCB may require a demonstration by the applicant that they are familiar with marijuana laws and rules.

((~~(6)~~)) (9) The ((~~board~~)) WSLCB may conduct a final inspection of the proposed licensed business, in order to determine if the applicant has complied with all the requirements of the license requested.

((~~(7)~~)) (10) Per RCW 69.50.331 (1)((~~(b)~~)) (c), all applicants applying for a marijuana license must have resided in the state of Washington for at least ((~~three~~)) six months prior to application for a marijuana license. All partnerships, employee cooperatives, associations, nonprofit corporations, corporations and limited liability companies applying for a marijuana license must be formed in Washington. All members must also meet the ((~~three~~)) six month residency requirement. Managers or agents who manage a licensee's place of business must also meet the ((~~three~~)) six month residency requirement.

((~~(8)~~)) (11) Submission of an operating plan that demonstrates the applicant is qualified to hold the marijuana license applied for to the satisfaction of the ((~~board~~)) WSLCB. The operating plan shall include the following elements in accordance with the applicable standards in the Washington Administrative Code (WAC).

((~~(9)~~)) (12) As part of the application process, each applicant must submit in a format supplied by the ((~~board~~)) WSLCB an operating plan detailing the following as it pertains to the license type being sought. This operating plan must also include a floor plan or site

plan drawn to scale which illustrates the entire operation being proposed. The operating plan must include the following information:

Producer	Processor	Retailer
Security	Security	Security
Traceability	Traceability	Traceability
Employee qualifications and training	Employee qualifications and training	Employee qualifications and training
Transportation of product including packaging of product for transportation	Transportation of product	Transportation of product
Destruction of waste product	Destruction of waste product	Destruction of waste product
Description of growing operation including growing media, size of grow space allocated for plant production, space allocated for any other business activity, description of all equipment used in the production process, and a list of soil amendments, fertilizers, other crop production aids, or pesticides, utilized in the production process	Description of the types of products to be processed at this location together with a complete description of all equipment to include all marijuana-infused edible processing facility equipment and solvents, gases, chemicals and other compounds used to create extracts and for processing of marijuana-infused products	
Testing procedures and protocols	Testing procedures and protocols	
Employee compensation and benefits data (see subsection (13) of this section)	Employee compensation and benefits data (see subsection (13) of this section)	Employee compensation and benefits data (see subsection (13) of this section)
	Description of the types of products to be processed at this location together with a complete description of processing of marijuana-infused products	
	Description of packaging and labeling of products to be processed	
		What array of products are to be sold and how are the products to be displayed to consumers

After obtaining a license, the license holder must notify the ((~~board~~)) WSLCB in advance of any ((~~substantial~~)) change in their operating plan. ((~~Depending on the degree of change,~~)) Prior approval ((~~may be~~)) is required before the change is implemented.

((~~(10)~~)) (13)(a) In order to aid the WSLCB in monitoring the industry as it develops, the WSLCB requests that all applicants and licensees seeking renewal provide the following information:

(b) **Employees compensation and benefits data**.

(i) Will the applicant/licensee provide a living wage (at least one hundred fifty percent of the state minimum wage) to eighty-five percent or more of its hourly employees?

(ii) Will the applicant/licensee provide health insurance to at least eighty-five percent of its hourly employees?

(iii) Will the applicant/licensee provide a defined benefit pension plan to at least eighty-five percent of its hourly employees?

(iv) Will the applicant/licensee provide five or more paid sick days annually to at least eighty-five percent of its hourly employees?

(v) Is there a signed labor peace agreement or collective bargaining agreement with a labor organization in place?

(14) Applicants applying for a marijuana license must be current in any tax obligations to the Washington state department of revenue and other state agencies, as an individual or as part of any entity in which they have an ownership interest. Applicants must sign an attes-

tation that, under penalty of denial or loss of licensure, that representation is correct.

((~~(11)~~)) (15) The issuance or approval of a license shall not be construed as a license for, or an approval of, any violations of local rules or ordinances including, but not limited to: Building and fire codes, zoning ordinances, and business licensing requirements.

((~~(12)~~)) (16) Upon failure to respond to the ((~~board~~)) WSLCB licensing and regulation division's requests for information and/or documentation within the timeline provided, the application may be administratively closed or denial of the application will be sought.

AMENDATORY SECTION (Amending WSR 13-21-104, filed 10/21/13, effective 11/21/13)

WAC 314-55-035 What persons or entities have to qualify for a marijuana license? A marijuana license must be issued in the name(s) of the true party(ies) of interest.

(1) **True parties of interest** - For purposes of this title, "true party of interest" means:

True party of interest	Persons to be qualified
Sole proprietorship	Sole proprietor and spouse.
General partnership	All partners and spouses.
Limited partnership, limited liability partnership, or limited liability limited partnership	• All general partners and their spouses. • All limited partners and spouses.
Limited liability company	• All members and their spouses. • All managers and their spouses.
Privately held corporation	• All corporate officers (or persons with equivalent title) and their spouses. • All stockholders and their spouses.
Publicly held corporation	All corporate officers (or persons with equivalent title) and their spouses. All stockholders and their spouses.
Multilevel ownership structures	All persons and entities that make up the ownership structure (and their spouses).

True party of interest	Persons to be qualified
Any entity or person (inclusive of **financiers**) that are expecting a percentage of the profits in exchange for a monetary loan or expertise. Financial institutions are not considered true parties of interest.	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. Any entity or person who exercises control over the licensed business in exchange for money or expertise. For the purposes of this chapter: • "Gross profit" includes the entire gross receipts from all sales and services made in, upon, or from the licensed business. • "Net profit" means gross sales minus cost of goods sold.
Nonprofit corporations	All individuals and spouses, and entities having membership rights in accordance with the provisions of the articles of incorporation or the bylaws.

(2) For purposes of this section, "true party of interest" does not mean:

(a) 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.

(b) 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 twenty-five percent of the employee's prebonus annual compensation; or the bonus is based on a written incentive/bonus program that is not out of the ordinary for the services rendered.

(c) 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.

(3) **Financiers** - The ((~~board~~)) WSLCB will conduct a financial investigation as well as a criminal background of financiers.

(4) **Persons who exercise control of business** - The ((~~board~~)) WSLCB will conduct an investigation of any person or entity who exercises any control over the applicant's business operations. This may include both a financial investigation and/or a criminal history background.

(5) After licensure, a true party of interest, including financiers, must continue to disclose the source of funds for all moneys invested in the licensed business. The WSLCB must approve these funds prior to investing them into the business.

AMENDATORY SECTION (Amending WSR 15-11-107, filed 5/20/15, effective 6/20/15)

WAC 314-55-040 What criminal history might prevent a marijuana license applicant from receiving or keeping a marijuana license? (1) When the ((~~board~~)) WSLCB processes a criminal history check on an applicant, it uses a point system to determine if the person qualifies for a license. The ((~~board~~)) WSLCB will not normally issue a marijuana license or renew a license to an applicant who has accumulated eight or more points as indicated below:

Description	Time period during which points will be assigned	Points assigned
Felony conviction	Ten years	12 points
Gross misdemeanor conviction	Three years	5 points
Misdemeanor conviction	Three years	4 points
Currently under federal or state supervision for a felony conviction	n/a	8 points
Nondisclosure of any of the above	n/a	4 points each

(2) If a case is pending for an alleged offense that would earn eight or more points, the ((~~board~~)) WSLCB will hold the application for the disposition of the case. If the disposition is not settled within ninety days, the ((~~board~~)) WSLCB will administratively close the application.

(3) The ((~~board~~)) WSLCB may not issue a marijuana license to anyone who has accumulated eight or more points as referenced above. This is a discretionary threshold and it is further recommended that the following exceptions to this standard be applied:

Exception to criminal history point assignment.

(a) Prior to initial license application, two federal or state misdemeanor convictions for the possession only of marijuana within the previous three years may not be applicable to the criminal history points accumulated. All criminal history must be reported on the personal/criminal history form.

(i) Regardless of applicability, failure to disclose full criminal history will result in point accumulation;

(ii) State misdemeanor possession convictions accrued after December 6, 2013, exceeding the allowable amounts of marijuana, usable marijuana, and marijuana-infused products described in chapter 69.50 RCW shall count toward criminal history point accumulation.

(b) Prior to initial license application, any single state or federal conviction for the growing, possession, or sale of marijuana will be considered for mitigation on an individual basis. Mitigation will be considered based on the quantity of product involved and other circumstances surrounding the conviction.

(4) Once licensed, marijuana licensees must report any criminal convictions to the ((~~board~~)) WSLCB within fourteen days.

AMENDATORY SECTION (Amending WSR 13-21-104, filed 10/21/13, effective 11/21/13)

WAC 314-55-045 What marijuana law or rule violation history might prevent an applicant from receiving a marijuana license? The ((~~board~~)) WSLCB will conduct an investigation of all applicants' marijuana law or rule administrative violation history. The ((~~board~~)) WSLCB will not normally issue a marijuana license to a person, or to an entity with a true party of interest, who has the following violation history; or to any person who has demonstrated a pattern of disregard for laws or rules.

Violation Type (see WAC 314-55-515)	**Period of Consideration**
• Three or more public safety violations;	• Violations issued within three years of the date the application is received by the board's licensing and regulation division.
• Four or more regulatory violations; or	
• One to four, or more license violations.	• Violations issued within the last three years the true party(ies) of interest were licensed.

AMENDATORY SECTION (Amending WSR 14-06-108, filed 3/5/14, effective 4/5/14)

WAC 314-55-050 Reasons the ((~~board~~)) WSLCB may seek denial, suspension, or cancellation of a marijuana license application or license. Following is a list of reasons the ((~~board~~)) WSLCB may deny, suspend, or cancel a marijuana license application or license. Per RCW 69.50.331, the ((~~board~~)) WSLCB has broad discretionary authority to approve or deny a marijuana license application for reasons including, but not limited to, the following:

(1) Failure to meet qualifications or requirements for the specific marijuana producer, processor, or retail license, as outlined in this chapter and chapter 69.50 RCW.

(2) Failure or refusal to submit information or documentation requested by the ((~~board~~)) WSLCB during the evaluation process.

(3) The applicant makes a misrepresentation of fact, or fails to disclose a material fact to the ((~~board~~)) WSLCB during the application process or any subsequent investigation after a license has been issued.

(4) Failure to meet the criminal history standards outlined in WAC 314-55-040.

(5) Failure to meet the marijuana law or rule violation history standards outlined in WAC 314-55-045.

(6) The source of funds identified by the applicant to be used for the acquisition, startup and operation of the business is ques-

tionable, unverifiable, or determined by the ((~~board~~)) WSLCB to be gained in a manner which is in violation by law.

(7) Denies the ((~~board~~)) WSLCB or its authorized representative access to any place where a licensed activity takes place or fails to produce any book, record or document required by law or ((~~board~~)) WSLCB rule.

(8) Has been denied or had a marijuana license or medical marijuana license suspended or canceled in another state or local jurisdiction.

(9) Where the city, county, tribal government, or port authority has submitted a substantiated objection per the requirements in RCW 69.50.331 (7) and ((~~(9)~~)) (10).

(10) The ((~~board~~)) WSLCB shall not issue a new marijuana license if the proposed licensed business is within one thousand feet of the perimeter of the grounds of any of the following entities. The distance shall be measured as the shortest straight line distance from the property line of the proposed building/business location to the property line of the entities listed below:

(a) Elementary or secondary school;

(b) Playground;

(c) Recreation center or facility;

(d) Child care center;

(e) Public park;

(f) Public transit center;

(g) Library; or

(h) Any game arcade (where admission is not restricted to persons age twenty-one or older).

(11) A city or county may by local ordinance permit the licensing of marijuana businesses within one thousand feet but not less than one hundred feet of the facilities listed in subsection (10) of this section except elementary and secondary schools, and playgrounds.

If a licensee applies for a marijuana license at a location less than one thousand feet of a recreation center or facility, child care center, public park, public transit center, library, or game arcade, the licensee must provide the WSLCB with a copy of the local ordinance that describes the distance required by the city or county the facility will be located.

(12) Has failed to pay taxes or fees required under chapter 69.50 RCW or failed to provide production, processing, inventory, sales and transportation reports to documentation required under this chapter.

((~~(12)~~)) (13) Failure to submit an attestation that they are current in any tax obligations to the Washington state department of revenue.

((~~(13)~~)) (14) Has been denied a liquor license or had a liquor license suspended or revoked in this or any other state.

((~~(14)~~)) (15) The operating plan does not demonstrate, to the satisfaction of the ((~~board~~)) WSLCB, the applicant is qualified for a license.

((~~(15)~~)) (16) Failure to operate in accordance with the ((~~board~~)) WSLCB approved operating plan.

((~~(16)~~)) (17) The ((~~board~~)) WSLCB determines the issuance of the license will not be in the best interest of the welfare, health, or safety of the people of the state.

AMENDATORY SECTION (Amending WSR 13-21-104, filed 10/21/13, effective 11/21/13)

WAC 314-55-070 Process if the ((~~board~~)) WSLCB denies a marijuana license application. If the ((~~board~~)) WSLCB denies a marijuana license application, the applicants may:

(1) Request an administrative hearing per chapter 34.05 RCW, the Administrative Procedure Act.

(2) Reapply for the license no sooner than one year from the date on the final order of denial.

AMENDATORY SECTION (Amending WSR 15-11-107, filed 5/20/15, effective 6/20/15)

WAC 314-55-075 What is a marijuana producer license and what are the requirements and fees related to a marijuana producer license? (1) A marijuana producer license allows the licensee to produce, harvest, trim, dry, cure, and package marijuana into lots for sale at wholesale to marijuana processor licensees and to other marijuana producer licensees. A marijuana producer can also produce and sell marijuana plants, seed, and plant tissue culture to other marijuana producer licensees. Marijuana production must take place within a fully enclosed secure indoor facility or greenhouse with rigid walls, a roof, and doors. Outdoor production may take place in nonrigid greenhouses, other structures, or an expanse of open or cleared ground fully enclosed by a physical barrier. To obscure public view of the premises, outdoor production must be enclosed by a sight obscure wall or fence at least eight feet high. Outdoor producers must meet security requirements described in WAC 314-55-083. An outdoor grow must be physically separated at least twenty feet from another licensed outdoor grow. Outdoor grows cannot share common walls or fences.

(2) The application fee for a marijuana producer license is two hundred fifty dollars. The applicant is also responsible for paying the fees required by the approved vendor for fingerprint evaluation.

(3) The annual fee for issuance and renewal of a marijuana producer license is one thousand dollars. The ((~~board~~)) WSLCB will conduct random criminal history checks at the time of renewal that will require the licensee to submit fingerprints for evaluation from the approved vendor. The licensee will be responsible for all fees required for the criminal history checks.

(4) The ((~~board~~)) WSLCB will initially limit the opportunity to apply for a marijuana producer license to a thirty-day calendar window beginning with the effective date of this section. In order for a marijuana producer application license to be considered it must be received no later than thirty days after the effective date of the rules adopted by the ((~~board~~)) WSLCB. The ((~~board~~)) WSLCB may reopen the marijuana producer application window after the initial evaluation of the applications received and at subsequent times when the ((~~board~~)) WSLCB deems necessary.

(5) Any entity and/or principals within any entity are limited to no more than three marijuana producer licenses.

(6) The maximum amount of space for marijuana production((~~ is initially limited to two million square feet, to be increased based on~~

~~marketplace demand, but not to exceed eight and one-half million square feet without board approval~~)) will be imposed at a later date. Applicants must designate on their operating plan the size category of the production premises and the amount of actual square footage in their premises that will be designated as plant canopy. There are three categories as follows:

(a) Tier 1 – Less than two thousand square feet;

(b) Tier 2 – Two thousand square feet to ten thousand square feet; and

(c) Tier 3 – Ten thousand square feet to thirty thousand square feet.

(7) The ((~~board~~)) WSLCB may reduce a licensee's or applicant's square footage designated to plant canopy for the following reasons:

(a) If the amount of square feet of production of all licensees exceeds the maximum ((~~of two million~~)) square feet the ((~~board~~)) WSLCB will reduce the allowed square footage by the same percentage.

(b) If fifty percent production space used for plant canopy in the licensee's operating plan is not met by the end of the first year of operation the ((~~board~~)) WSLCB may reduce the tier of licensure.

(8) If the total amount of square feet of marijuana production exceeds ((~~two million~~)) the maximum square feet, the ((~~board~~)) WSLCB reserves the right to reduce all licensee's production by the same percentage or reduce licensee production by one or more tiers by the same percentage.

(9) The maximum allowed amount of marijuana on a producer's premises at any time is as follows:

(a) Outdoor or greenhouse grows – One and one-quarter of a year's harvest; or

(b) Indoor grows – Six months of their annual harvest.

AMENDATORY SECTION (Amending WSR 15-11-107, filed 5/20/15, effective 6/20/15)

WAC 314-55-077 What is a marijuana processor license and what are the requirements and fees related to a marijuana processor license? (1) A marijuana processor license allows the licensee to process, dry, cure, package, and label usable marijuana, marijuana concentrates, and marijuana-infused products for sale at wholesale to marijuana processors and marijuana retailers.

(2) A marijuana processor is allowed to blend tested usable marijuana from multiple lots into a single package for sale to a marijuana retail licensee providing the label requirements for each lot used in the blend are met and the percentage by weight of each lot is also included on the label.

(3) A marijuana processor licensee must obtain label and packaging approval from the ((~~liquor control board~~)) WSLCB for all marijuana-infused products((~~, labeling, and packaging~~)) meant for ingestion prior to offering these items for sale to a marijuana retailer. The marijuana processor licensee must submit a picture of the product, labeling, and packaging to the ((~~liquor control board~~)) WSLCB for approval.

If the ((~~liquor control board~~)) WSLCB denies a marijuana-infused product for sale in marijuana retail outlets, the marijuana processor

licensee may request an administrative hearing per chapter 34.05 RCW, Administrative Procedure Act.

(4) With the exception of the marijuana, all ingredients used in making marijuana-infused products for oral ingestion must be a commercially manufactured food as defined in WAC 246-215-01115.

(5) Marijuana-infused edible products in solid form must meet the following requirements:

(a) If there is more than one serving in the package, each serving must be packaged individually in childproof packaging (see WAC 314-55-105(7)) and placed in the outer package.

(b) The label must prominently display the number of servings in the package.

(c) Marijuana-infused solid edible products must be homogenized to ensure uniform disbursement of cannabinoids throughout the product.

(d) All marijuana-infused solid edibles must prominently display on the label "This product contains marijuana."

((~~(5)~~)) (e) All marijuana-infused edible products in solid form must prominently display the official "Mr. Yuk" sticker on the label which includes the Poison Control Center name and phone number.

(6) Marijuana-infused edible products in liquid form must meet the following requirements:

(a) If there is more than one serving in the package, a measuring device must be included in the package with the product.

(b) The label must prominently display the number of servings in the package and the amount of product per serving.

(c) Marijuana-infused liquid edibles must be homogenized to ensure uniform disbursement of cannabinoids throughout the product.

(d) All marijuana-infused liquid edibles must prominently display on the label "This product contains marijuana."

((~~(6)~~)) (e) All marijuana-infused edible products in liquid form must prominently display the official "Mr. Yuk" sticker on the label which includes the Poison Control Center name and phone number.

(7) A marijuana processor is limited in the types of food or drinks they may infuse with marijuana. Marijuana-infused products that require cooking or baking by the consumer are prohibited. Marijuana-infused products that are especially appealing to children are prohibited. Marijuana-infused edible products such as, but not limited to, gummy candies, lollipops, cotton candy, or brightly colored products, are prohibited.

(a) To reduce the risk to public health, potentially hazardous foods as defined in WAC 246-215-01115 may not be infused with marijuana. Potentially hazardous foods require time-temperature control to keep them safe for human consumption and prevent the growth of pathogenic microorganisms or the production of toxins. Any food that requires refrigeration, freezing, or a hot holding unit to keep it safe for human consumption may not be infused with marijuana.

(b) Other food items that may not be infused with marijuana to be sold in a retail store are:

(i) Any food that has to be acidified to make it shelf stable;

(ii) Food items made shelf stable by canning or retorting;

(iii) Fruit or vegetable juices (this does not include shelf stable concentrates);

(iv) Fruit or vegetable butters;

(v) Pumpkin pies, custard pies, or any pies that contain egg;

(vi) Dairy products of any kind such as butter, cheese, ice cream, or milk; and

(vii) Dried or cured meats.

(c) Vinegars and oils derived from natural sources may be infused with dried marijuana if all plant material is subsequently removed from the final product. Vinegars and oils may not be infused with any other substance, including herbs and garlic.

(d) Marijuana-infused jams and jellies made from scratch must utilize a standardized recipe in accordance with 21 C.F.R. Part 150, revised as of April 1, 2013.

(e) Per WAC 314-55-104, a marijuana processor may infuse dairy butter or fats derived from natural sources and use that extraction to prepare allowable marijuana-infused solid or liquid products meant to be ingested orally, but the dairy butter or fats derived from natural sources may not be sold as stand-alone products.

(f) The ((~~liquor control board~~)) WSLCB may designate other food items that may not be infused with marijuana.

((~~(7)~~)) (8) The recipe for any marijuana-infused solid or liquid products meant to be ingested orally must be kept on file at the marijuana processor's licensed premises and made available for inspection by the ((~~liquor control board~~)) WSLCB or its designee.

((~~(8)~~)) (9) The application fee for a marijuana processor license is two hundred fifty dollars. The applicant is also responsible for paying the fees required by the approved vendor for fingerprint evaluation.

((~~(9)~~)) (10) The annual fee for issuance and renewal of a marijuana processor license is one thousand dollars. The ((~~board~~)) WSLCB will conduct random criminal history checks at the time of renewal that will require the licensee to submit fingerprints for evaluation from the approved vendor. The licensee will be responsible for all fees required for the criminal history checks.

((~~(10)~~)) (11) A marijuana processor producing a marijuana-infused solid or liquid product meant to be ingested orally in a processing facility as required in WAC 314-55-015 (10) and (11) must pass a processing facility inspection. Ongoing annual processing facility compliance inspections may be required. The ((~~liquor control board~~)) WSLCB will contract with the department of agriculture to conduct required processing facility inspections. All costs of inspections are borne by the licensee and the hourly rate for inspection is sixty dollars. A licensee must allow the ((~~liquor control board~~)) WSLCB or their designee to conduct physical visits and inspect the processing facility, recipes and required records per WAC 314-55-087 during normal business hours or at any time of apparent operation without advance notice. Failure to pay for the processing facility inspection or to follow the processing facility requirements outlined in this section and WAC 314-55-015 will be sufficient grounds for the ((~~board~~)) WSLCB to suspend or revoke a marijuana license.

((~~(11)~~)) (12) The ((~~board~~)) WSLCB will initially limit the opportunity to apply for a marijuana processor license to a thirty-day calendar window beginning with the effective date of this section. In order for a marijuana processor application license to be considered it must be received no later than thirty days after the effective date of the rules adopted by the ((~~board~~)) WSLCB. The ((~~board~~)) WSLCB may reopen the marijuana processor application window after the initial evaluation of the applications that are received and processed, and at subsequent times when the ((~~board~~)) WSLCB deems necessary.

((~~(12)~~)) (13) A currently licensed marijuana producer may submit an application to add a marijuana processor license at the location of their producer license providing they do not already hold three processor licenses.

(14) Any entity and/or principals within any entity are limited to no more than three marijuana processor licenses.

((~~(13)~~)) (15) Marijuana processor licensees are allowed to have a maximum of six months of their average usable marijuana and six months average of their total production on their licensed premises at any time.

((~~(14)~~)) (16) A marijuana processor must accept returns of products and sample jars from marijuana retailers for destruction, but is not required to provide refunds to the retailer. It is the responsibility of the retailer to ensure the product or sample jar is returned to the processor.

AMENDATORY SECTION (Amending WSR 15-11-107, filed 5/20/15, effective 6/20/15)

WAC 314-55-079 What is a marijuana retailer license and what are the requirements and fees related to a marijuana retailer license? (1) A marijuana retailer license allows the licensee to sell only usable marijuana, marijuana concentrates, marijuana-infused products, and marijuana paraphernalia at retail in retail outlets to persons twenty-one years of age and older.

(2) Marijuana-infused products listed in WAC 314-55-077(6) are prohibited for sale by a marijuana retail licensee.

(3) Internet sales and delivery of product to customers is prohibited.

(4) The application fee for a marijuana retailer's license is two hundred fifty dollars. The applicant is also responsible for paying the fees required by the approved vendor for fingerprint evaluation.

(5) The annual fee for issuance and renewal of a marijuana retailer's license is one thousand dollars. The ((~~board~~)) WSLCB will conduct random criminal history checks at the time of renewal that will require the licensee to submit fingerprints for evaluation from the approved vendor. The licensee will be responsible for all fees required for the criminal history checks.

(6) Marijuana retailers may not sell marijuana products below the current acquisition cost.

(7) Marijuana retailer licensees are allowed to have a maximum of four months of their average inventory on their licensed premises at any given time.

(8) A marijuana retailer may transport product to other locations operated by the licensee or to return product to a marijuana processor as outlined in the transportation rules in WAC 314-55-085.

(9) A marijuana retailer may ((~~only~~)) accept returns of open marijuana products ((~~containing~~)) only if the product contains defective electronic components. Products must be returned in their original packaging with the lot, batch, or inventory ID number fully legible.

NEW SECTION

WAC 314-55-080 Medical marijuana endorsement. (1) **A medical marijuana endorsement added to a marijuana retail license allows the marijuana retail licensee to:**

(a) Sell marijuana for medical use to qualifying patients and designated providers; and

(b) Provide marijuana at no charge, at their discretion, to qualifying patients and designated providers.

(2) **To maintain a medical marijuana endorsement in good standing, a marijuana retailer must:**

(a) Follow all rules adopted by the department of health regarding retail sales of medical marijuana;

(b) Have a consultant on staff in accordance with department of health rules;

(c) Prohibit the medical use of marijuana by anyone at the retail outlet at all times, including medical use by qualifying patients;

(d) Maintain at all times, a representative assortment of marijuana products necessary to meet the needs of qualified patients and designated providers;

(e) Not market marijuana concentrates, usable marijuana, or marijuana-infused products in a way that make them especially attractive to minors;

(f) Demonstrate the ability to enter qualifying patients and designated providers in the medical marijuana authorization data base established by the department of health;

(g) Issue recognition cards and agree to enter qualifying patients and designated providers into the data base in compliance with the department of health standards;

(h) Keep copies of the qualifying patient's or designated provider's recognition card or equivalent records to document the validity of tax exempt sales for a minimum of three years;

(i) Train employees on the following:

(i) Procedures regarding the recognition of valid authorizations and the use of equipment to enter qualifying patients and designated providers into the medical marijuana authorization data base;

(ii) Recognition of valid recognition cards; and

(iii) Recognition of strains, varieties, THC concentration, CBD concentration, and THC to CBD ratios of marijuana concentrates, usable marijuana, and marijuana-infused products available for sale when assisting qualifying patients and designated providers at the retail outlet.

(3) **A marijuana retailer holding a medical marijuana endorsement may sell products with a THC concentration of 0.3 percent or less.** The licensee may also provide these products at no charge to qualifying patients or designated providers.

(4) **Unlicensed practice of medicine.** No owner, employee, or volunteer of a retail outlet and holding a medical marijuana endorsement may:

(a) Offer or undertake to diagnose or cure any human or animal disease, ailment, injury, infirmity, deformity, pain, or other condition, physical or mental, real or imaginary, by use of marijuana products or any other means or instrumentality; or

(b) Recommend or suggest modification or elimination of any course of treatment that does not involve the medical use of marijuana products.

(5) Failure to comply with subsections (3) and (4) of this section may result in suspension or revocation of the medical marijuana endorsement.

AMENDATORY SECTION (Amending WSR 13-21-104, filed 10/21/13, effective 11/21/13)

WAC 314-55-081 Who can apply for a marijuana retailer license? (1) The WSLCB may accept applications for marijuana retail licenses at time frames published on its web site at lcb.wa.gov. Using estimated consumption data and population data obtained from the office of financial management (OFM) population data, the ((~~liquor control board~~)) WSLCB will determine the maximum number of marijuana retail locations per county.

The number of retail locations will be determined using a method that distributes the number of locations proportionate to the most populous cities within each county((~~. Locations not assigned to a specific city will be at large. At large locations can be used for unincorporated areas in the county or in cities within the county that have no retail licenses designated. Once the number of locations per city and at large have been identified, the eligible applicants will be selected by lottery in the event the number of applications exceeds the allotted amount for the cities and county. Any lottery conducted by the board will be witnessed by an independent third party~~)) and to accommodate the medical needs of qualifying patients and designated providers. Locations not assigned to a specific city will be at large. At large locations can be used for unincorporated areas in the county or in cities within the county that have no retail licenses designated.

(2) The number of ((~~marijuana~~)) retail licenses determined by the board can be found on the ((~~liquor control board~~)) WSLCB web site at ((~~www.liq.wa.gov~~)) lcb.wa.gov.

(3) Any entity and/or principals within any entity are limited to no more than three retail marijuana licenses ((~~with no multiple location licensee allowed more than thirty-three percent of the allowed licenses in any county or city.~~

~~(4) The board will initially limit the opportunity to apply for a marijuana retailer license to a thirty-day calendar window beginning with the effective date of this section. In order for a marijuana retailer license application to be considered it must be received no later than thirty days after the effective date of the rules adopted by the board. The board may reopen the marijuana retailer application window after the initial evaluation of the applications received and at subsequent times when the board deems necessary~~)).

AMENDATORY SECTION (Amending WSR 13-21-104, filed 10/21/13, effective 11/21/13)

WAC 314-55-082 Insurance requirements. Marijuana licensees shall provide insurance coverage as set out in this section. The intent of the required insurance is to protect the consumer should there

be any claims, suits, actions, costs, damages or expenses arising from any negligent or intentional act or omission of the marijuana licensees. Marijuana licensees shall furnish evidence in the form of a certificate of insurance satisfactory to the ((~~board~~)) WSLCB that insurance, in the following kinds and minimum amounts, has been secured. Failure to provide proof of insurance, as required, may result in license cancellation.

(1) Commercial general liability insurance: The licensee shall at all times carry and maintain commercial general liability insurance and if necessary, commercial umbrella insurance for bodily injury and property damage arising out of licensed activities. This insurance shall cover such claims as may be caused by any act, omission, or negligence of the licensee or its officers, agents, representatives, assigns, or servants. The insurance shall also cover bodily injury, including disease, illness and death, and property damage arising out of the licensee's premises/operations, products, and personal injury. The limits of liability insurance shall not be less than one million dollars.

(2) Insurance carrier rating: The insurance required in subsection (1) of this section shall be issued by an insurance company authorized to do business within the state of Washington. Insurance is to be placed with a carrier that has a rating of A - Class VII or better in the most recently published edition of *Best's Reports*. If an insurer is not admitted, all insurance policies and procedures for issuing the insurance policies must comply with chapters 48.15 RCW and 284-15 WAC.

(3) Additional insured. The ((~~board~~)) state and its employees, agents, and volunteers shall be named as an additional insured on all general liability, umbrella, and excess insurance policies. All policies shall be primary over any other valid and collectable insurance.

AMENDATORY SECTION (Amending WSR 15-11-107, filed 5/20/15, effective 6/20/15)

WAC 314-55-083 What are the security requirements for a marijuana licensee? The security requirements for a marijuana licensee are as follows:

(1) **Display of identification badge.** All licensees and employees on the licensed premises shall be required to hold and properly display an identification badge issued by the licensed employer at all times while on the licensed premises and engaged in the transportation of marijuana. The identification badge must list the licensee's trade name and include the person's full and legal name, date of birth, and photograph.

(a) All nonemployee visitors to the licensed premises, other than retail store customers, shall be required to hold and properly display an identification badge issued by the licensee at all times while on the licensed premises.

(b) A log must be kept and maintained showing the full name of each visitor entering the licensed premises, badge number issued, the time of arrival, time of departure, and the purpose of the visit.

(c) All log records must be maintained on the licensed premises for a period of three years and are subject to inspection by any ((~~liquor control board~~)) WSLCB employee or law enforcement officer,

and must be copied and provided to the ((~~liquor control board~~)) WSLCB or law enforcement officer upon request.

(d) Employees, visitors, and other persons at a marijuana licensed premises, including persons engaged in the transportation of marijuana, must provide identification to a WSLCB enforcement officer upon request.

(2) **Alarm systems.** At a minimum, each licensed premises must have a security alarm system on all perimeter entry points and perimeter windows. Motion detectors, pressure switches, duress, panic, and hold-up alarms may also be utilized.

(3) **Surveillance system.** At a minimum, a licensed premises must have a complete video surveillance system with minimum camera resolution of 640 x 470 pixels or pixel equivalent for analog. The surveillance system storage device and/or the cameras must be internet protocol (IP) compatible. All cameras must be fixed and placement shall allow for the clear and certain identification of any person and activities in controlled areas of the licensed premises. All entrances and exits to an indoor facility shall be recorded from both indoor and outdoor, or ingress and egress vantage points. All cameras must record continuously twenty-four hours per day and at a minimum of ten frames per second. The surveillance system storage device must be secured on the licensed premises in a lockbox, cabinet, closet, or secured in another manner to protect from employee tampering or criminal theft. All surveillance recordings must be kept for a minimum of forty-five days on the licensee's recording device. All videos are subject to inspection by any ((~~liquor control board~~)) WSLCB employee or law enforcement officer, and must be copied and provided to the ((~~liquor control board~~)) WSLCB or law enforcement officer upon request. All recorded images must clearly and accurately display the time and date. Time is to be measured in accordance with the U.S. National Institute Standards and Technology standards.

(a) Controlled areas include:

(i) Any area within an indoor, greenhouse or outdoor room or area where marijuana is grown, or marijuana or marijuana waste is being moved within, processed, stored, or destroyed. Rooms or areas where marijuana or marijuana waste is never present are not considered control areas and do not require camera coverage.

(ii) All point-of-sale (POS) areas.

(iii) Twenty feet of the exterior of the perimeter of all required fencing and gates enclosing an outdoor grow operation. Any gate or other entry point that is part of the required enclosure for an outdoor growing operation must be lighted in low-light conditions. A motion detection lighting system may be employed to light the gate area in low-light conditions.

(iv) Any room or area storing a surveillance system storage device.

(b) All marijuana, marijuana concentrates, or marijuana-infused products that are intended to be removed or transported between two licensed premises shall be staged in an area known as the "quarantine" location for a minimum of twenty-four hours. Transport manifest with product information and weights must be affixed to the product. At no time during the quarantine period can the product be handled or moved under any circumstances and is subject to auditing by the ((~~liquor control board~~)) WSLCB or designees.

(4) **Traceability:** To prevent diversion and to promote public safety, marijuana licensees must track marijuana from seed to sale. Licensees must provide the required information on a system specified

by the ((~~board~~)) WSLCB. All costs related to the reporting requirements are borne by the licensee. Marijuana seedlings, clones, plants, lots of usable marijuana or trim, leaves, and other plant matter, batches of extracts, marijuana-infused products, samples, and marijuana waste must be traceable from production through processing, and finally into the retail environment including being able to identify which lot was used as base material to create each batch of extracts or infused products. The following information is required and must be kept completely up-to-date in a system specified by the ((~~board~~)) WSLCB:

(a) Key notification of "events," such as when a plant enters the system (moved from the seedling or clone area to the vegetation production area at a young age);

(b) When plants are to be partially or fully harvested or destroyed;

(c) When a lot or batch of marijuana, marijuana extract, marijuana concentrates, marijuana-infused product, or marijuana waste is to be destroyed;

(d) When usable marijuana, marijuana concentrates, or marijuana-infused products are transported;

(e) Any theft of usable marijuana, marijuana seedlings, clones, plants, trim or other plant material, extract, infused product, seed, plant tissue or other item containing marijuana;

(f) There is a seventy-two hour mandatory waiting period after the notification described in this subsection is given before any plant may be destroyed, a lot or batch of marijuana, marijuana extract, marijuana-infused product, or marijuana waste may be destroyed;

(g) There is a twenty-four hour mandatory waiting period after the notification described in this subsection to allow for inspection before marijuana plants, seeds, plant tissue cultures, or lots of marijuana are transported from a producer to another producer or to a processor;

(h) There is a twenty-four hour mandatory waiting period after the notification described in this subsection to allow for inspection before usable marijuana, marijuana concentrates, or marijuana-infused products are transported from a processor to another processor or to a retailer;

(i) ((~~Prior to reaching eight inches in height or width, each marijuana plant must be tagged and tracked individually, which typically should happened when a plant is moved from the seed germination or clone area to the vegetation production area;~~)) All marijuana plants eight or more inches in height or width must be physically tagged and tracked individually;

(j) A complete inventory of all marijuana, seeds, plant tissue, seedlings, clones, all plants, lots of usable marijuana or trim, leaves, and other plant matter, batches of extract, marijuana concentrates, marijuana-infused products, and marijuana waste;

(k) All marijuana, usable marijuana, marijuana-infused products, marijuana concentrates, seeds, plant tissue, clone lots, and marijuana waste must be physically tagged with the sixteen digit identification number generated by the traceability system and tracked;

(l) All point of sale records;

((~~(l)~~)) (m) Marijuana excise tax records;

((~~(m)~~)) (n) All samples sent to an independent testing lab, any sample of unused portion of a sample returned to a licensee, and the quality assurance test results;

((~~(n)~~)) (o) All free samples provided to another licensee for purposes of negotiating a sale;

((~~(o)~~)) (p) All samples used for testing for quality by the producer or processor;

((~~(p)~~)) (q) Samples containing usable marijuana provided to retailers;

((~~(q)~~)) (r) Samples provided to the ((~~board~~)) WSLCB or their designee for quality assurance compliance checks; and

((~~(r)~~)) (s) Other information specified by the board.

(5) **Start-up inventory for marijuana producers.** Within fifteen days of starting production operations a producer must have all nonflowering marijuana plants, clones, seeds, and plant tissue cultures physically on the licensed premises. The producer must, within twenty-four hours, record each marijuana plant that enters the facility in the traceability system during this fifteen day time frame. No flowering marijuana plants may be brought into the facility during this fifteen day time frame. After this fifteen day time frame expires, a producer may only start plants from seed or create clones from a marijuana plant located physically on their licensed premises, or purchase marijuana seeds, clones, or plants from another licensed producer.

((~~(6) **Samples.** Free samples of usable marijuana may be provided by producers or processors, or used for product quality testing, as set forth in this section.~~

~~(a) Samples are limited to two grams and a producer may not provide any one licensed processor more than four grams of usable marijuana per month free of charge for the purpose of negotiating a sale. The producer must record the amount of each sample and the processor receiving the sample in the traceability system. The outgoing sample must be clearly labeled as a sample to negotiate a sale and recorded on a transport manifest. The receiving licensee must receive the sample in the traceability system prior to sampling.~~

~~(b) Samples are limited to two grams and a processor may not provide any one licensed retailer more than four grams of usable marijuana per month free of charge for the purpose of negotiating a sale. The processor must record the amount of each sample and the retailer receiving the sample in the traceability system. The outgoing sample must be clearly labeled as a sample to negotiate a sale and recorded on a transport manifest. The receiving licensee must receive the sample in the traceability system prior to sampling.~~

~~(c) Samples are limited to two units and a processor may not provide any one licensed retailer more than six ounces of marijuana infused in solid form per month free of charge for the purpose of negotiating a sale. The processor must record the amount of each sample and the retailer receiving the sample in the traceability system. The outgoing sample must be clearly labeled as a sample to negotiate a sale and recorded on a transport manifest. The receiving licensee must receive the sample in the traceability system prior to sampling.~~

~~(d) Samples are limited to two units and a processor may not provide any one licensed retailer more than twenty-four ounces of marijuana-infused liquid per month free of charge for the purpose of negotiating a sale. The processor must record the amount of each sample and the retailer receiving the sample in the traceability system. The outgoing sample must be clearly labeled as a sample to negotiate a sale and recorded on a transport manifest. The receiving licensee must receive the sample in the traceability system prior to sampling.~~

~~(e) Samples are limited to one-half gram and a processor may not provide any one licensed retailer more than one gram of marijuana-in-~~

~~fused extract meant for inhalation per month free of charge for the purpose of negotiating a sale. The processor must record the amount of each sample and the retailer receiving the sample in the traceability system. The outgoing sample must be clearly labeled as a sample to negotiate a sale and recorded on a transport manifest. The receiving licensee must receive the sample in the traceability system prior to sampling.~~

~~(f) Producers may sample one gram of usable marijuana per strain, per month for quality sampling. Sampling for quality may not take place at a licensed premises. Only the producer or employees of the licensee may sample the usable marijuana for quality. The producer must record the amount of each sample and the employee(s) conducting the sampling in the traceability system.~~

~~(g) Processors may sample one unit, per batch of a new edible marijuana-infused product to be offered for sale on the market. Sampling for quality may not take place at a licensed premises. Only the processor or employees of the licensee may sample the edible marijuana-infused product. The processor must record the amount of each sample and the employee(s) conducting the sampling in the traceability system.~~

~~(h) Processors may sample up to one quarter gram, per batch of a new marijuana-infused extract for inhalation to be offered for sale on the market. Sampling for quality may not take place at a licensed premises. Only the processor or employee(s) of the licensee may sample the marijuana-infused extract for inhalation. The processor must record the amount of each sample and the employee(s) conducting the sampling in the traceability system.~~

~~(i) The limits described in subsection (6) of this section do not apply to the usable marijuana in sample jars that may be provided to retailers described in WAC 314-55-105(8).~~

~~(j) Retailers may not provide free samples to customers.~~))

AMENDATORY SECTION (Amending WSR 14-10-044, filed 4/30/14, effective 5/31/14)

WAC 314-55-084 Production of marijuana. (1) Only the following specified soil amendments, fertilizers, other crop production aids, and pesticides may be used in the production of marijuana:

((~~(1)~~)) (a) Pesticides registered by WSDA under chapter 15.58 RCW as allowed for use in the production, processing, and handling of marijuana. Pesticides must be used consistent with the label requirements.

((~~(2)~~)) (b) Commercial fertilizers registered by WSDA under chapter 15.54 RCW.

((~~(3)~~)) (c) Potting soil, crop production aids, soil amendments, and other growing media available commercially in the state of Washington may be used in marijuana production. Producers growing outdoors are not required to meet land eligibility requirements outlined in 7 C.F.R. Part 205.202.

(2) Examples of prohibited products:

(a) The use of products containing plant growth regulators not allowed for use on food crops including, but not limited to, any of the following ingredients, is prohibited:

• Ancymidol

• Chlormequat chloride
• Clofencet
• Colchicine
• Colloidal silver
• Daminozide
• Dikegulac-sodium
• Flumetralin
• Flurprimidol
• Paclobutrazol

(b) The use of vitamin-hormone products not intended for use on food crops is prohibited.

(c) The use of products containing the insecticide DDVP (Dichlorvos) is prohibited in all areas where marijuana is being grown or processed.

(3) Soil amendments, fertilizers, growing media, other crop production aids, and pesticides that do not conform to subsections (1) and (2) of this section cannot be used, kept, or stored on the licensed premises.

AMENDATORY SECTION (Amending WSR 15-11-107, filed 5/20/15, effective 6/20/15)

WAC 314-55-085 What are the transportation requirements for a marijuana licensee? (1) **Notification of shipment.** Upon transporting any marijuana or marijuana product, a producer, processor, retailer, or certified third-party testing lab shall notify the ((~~board~~)) WSLCB of the type and amount and/or weight of marijuana and/or marijuana products being transported, the name of transporter, information about the transporting vehicle, times of departure and expected delivery. This information must be reported in the traceability system described in WAC 314-55-083(4).

(2) **Receipt of shipment.** Upon receiving the shipment, the licensee or certified third-party lab receiving the product shall report the amount and/or weight of marijuana and/or marijuana products received in the traceability system.

(3) **Transportation manifest.** A complete printed transport manifest on a form provided by the ((~~board~~)) WSLCB containing all information required by the ((~~board~~)) WSLCB must be kept with the product at all times.

(4) **Records of transportation.** Records of all transportation must be kept for a minimum of three years at the licensee's location and are subject to inspection.

(5) **Transportation of product.** Marijuana or marijuana products that are being transported must meet the following requirements:

(a) Only the marijuana licensee, an employee of the licensee, a transportation licensee, or a certified testing lab may transport product and/or occupy a transporting vehicle;

(b) Drivers and/or occupants of a transporting vehicle must be twenty-one years of age or older;

(c) Marijuana or marijuana products must be in a sealed package or container approved by the ((~~board~~)) WSLCB pursuant to WAC 314-55-105;

((~~(c)~~)) (d) Sealed packages or containers cannot be opened during transport;

((~~(d)~~)) (e) Marijuana or marijuana products must be in a locked, safe and secure storage compartment that is secured to the inside body/compartment of the vehicle transporting the marijuana or marijuana products;

((~~(e)~~)) (f) Any vehicle transporting marijuana or marijuana products must travel directly from the shipping licensee to the receiving licensee and must not make any unnecessary stops in between except to other facilities receiving product;

((~~(f)~~)) (g) Live plants may be transported in a fully enclosed, windowless locked trailer, or in a secured area within the inside body/compartment of a van or box truck. A secured area is defined as an area where solid or locking metal petitions, cages, or high strength shatterproof acrylic can be used to create a secure compartment in the fully enclosed van or box truck. The secure compartment in the fully enclosed van or box truck must be free of windows. Live plants may not be transported in the bed of a pickup truck, a sports utility vehicle, or passenger car.

(6) For purposes of this chapter, any vehicle assigned for the purposes of transporting marijuana, usable marijuana, marijuana concentrates, or marijuana-infused products shall be considered an extension of the licensed premises ((~~and~~)). Transport vehicles are subject to inspection by enforcement officers of the ((~~liquor control board~~)) WSLCB. Vehicles assigned for transportation may be stopped and inspected by a ((~~liquor~~)) WSLCB enforcement officer at any licensed location, or while en route during transportation.

(7) All marijuana plants, clones, seeds, lots, batches, intermediate products, end products, vendor samples, and sample jars must remain physically tagged during transport.

AMENDATORY SECTION (Amending WSR 15-11-107, filed 5/20/15, effective 6/20/15)

WAC 314-55-086 What are the mandatory signs a marijuana licensee must post on a licensed premises? (1) **Notices regarding persons under twenty-one years of age** must be conspicuously posted on the premises as follows:

Type of licensee	Sign must contain the following language:	Required location of sign
Medical marijuana retailer	"Persons under twenty-one years of age not permitted on these premises without a valid qualifying patient card. Juvenile qualifying patients must be accompanied by their designated provider at all times."	Conspicuous location at each entry to premises.

Type of licensee	Sign must contain the following language:	Required location of sign
Marijuana producer, marijuana processor, and marijuana retailer	"Persons under twenty-one years of age not permitted on these premises."	Conspicuous location at each entry to premises.

The ((~~board~~)) WSLCB will provide the required notices, or licensees may design their own notices as long as they are legible and contain the required language.

(2) **Signs provided by the ((~~board~~)) WSLCB prohibiting opening a package of marijuana or marijuana-infused product in public or consumption of marijuana or marijuana-infused products in public,** must be posted as follows:

Type of premises	Required location of sign
Marijuana retail	Posted in plain view at the main entrance to the establishment.

(3) **The premises' current and valid master license with appropriate endorsements** must be conspicuously posted on the premises and available for inspection by ((~~liquor~~)) WSLCB enforcement officers.

(4) Firearms prohibited signs provided by the ((~~board~~)) WSLCB must be posted at the entrance of each producer, processor, and retailer licensed location.

AMENDATORY SECTION (Amending WSR 13-21-104, filed 10/21/13, effective 11/21/13)

WAC 314-55-087 What are the recordkeeping requirements for marijuana licensees? (1) Marijuana licensees are responsible to keep records that clearly reflect all financial transactions and the financial condition of the business. The following records must be kept and maintained on the licensed premises for a three-year period and must be made available for inspection if requested by an employee of the ((~~liquor control board~~)) WSLCB:

(a) Purchase invoices and supporting documents, to include the items and/or services purchased, from whom the items were purchased, and the date of purchase;

(b) Bank statements and canceled checks for any accounts relating to the licensed business;

(c) Accounting and tax records related to the licensed business and each true party of interest;

(d) Records of all financial transactions related to the licensed business, including contracts and/or agreements for services performed or received that relate to the licensed business;

(e) All employee records((~~,~~)) to include, but not limited to, training, payroll, and date of hire;

(f) Records of each daily application of pesticides applied to the marijuana plants or growing medium. For each application, the producer shall record the following information on the same day the application is made:

(i) Full name of each employee who applied the pesticide;

(ii) The date the pesticide was applied;

(iii) The name of the pesticide or product name listed on the registration label which was applied;

(iv) The concentration and total amount of pesticide per plant; and

(v) For outdoor production, the concentration of pesticide that was applied to the field. Liquid applications may be recorded as, but are not limited to, amount of product per one hundred gallons of liquid spray, gallons per acre of output volume, ppm, percent product in tank mix (e.g., one percent). For chemigation applications, record "inches of water applied" or other appropriate measure.

(g) Soil amendment, fertilizers, or other crop production aids applied to the growing medium or used in the process of growing marijuana;

(h) Production and processing records, including harvest and curing, weighing, destruction of marijuana, creating batches of marijuana-infused products and packaging into lots and units;

(i) Records of each batch of extracts or infused marijuana products made, including at a minimum, the lots of usable marijuana or trim, leaves, and other plant matter used (including the total weight of the base product used), any solvents or other compounds utilized, and the product type and the total weight of the end product produced, such as hash oil, shatter, tincture, infused dairy butter, etc.;

(j) Transportation records as described in WAC 314-55-085;

(k) Inventory records;

(l) All samples sent to an independent testing lab and the quality assurance test results;

(m) All free samples provided to another licensee for purposes of negotiating a sale;

(n) All samples used for testing for quality by the producer or processor;

(o) Sample jars containing usable marijuana provided to retailers; and

(p) Records of any theft of marijuana seedlings, clones, plants, trim or other plant material, extract, marijuana-infused product, or other item containing marijuana.

<u>(q) Records of any marijuana product provided free of charge to qualifying patients or designated providers.</u>

(2) If the marijuana licensee keeps records within an automated data processing (ADP) and/or point-of-sale (POS) system, the system must include a method for producing legible records that will provide the same information required of that type of record within this section. The ADP and/or POS system is acceptable if it complies with the following guidelines:

(a) Provides an audit trail so that details (invoices and vouchers) underlying the summary accounting data may be identified and made available upon request.

(b) Provides the opportunity to trace any transaction back to the original source or forward to a final total. If printouts of transactions are not made when they are processed, the system must have the ability to reconstruct these transactions.

(c) Has available a full description of the ADP and/or POS portion of the accounting system. This should show the applications being performed, the procedures employed in each application, and the controls used to ensure accurate and reliable processing.

(3) The provisions contained in subsections (1) and (2) of this section do not eliminate the requirement to maintain source documents,

but they do allow the source documents to be maintained in some other location.

AMENDATORY SECTION (Amending WSR 15-11-107, filed 5/20/15, effective 6/20/15)

WAC 314-55-089 What are the tax and reporting requirements for marijuana licensees? (1) Marijuana producer and marijuana processor licensees must submit monthly report(s) to the WSLCB. Marijuana retailer licensees must submit monthly report(s) and payments to the ((~~board~~)) WSLCB. The required monthly reports must be:

(a) On a form or electronic system designated by the ((~~board~~)) WSLCB;

(b) Filed every month, including months with no activity or payment due;

(c) Submitted, with payment due, to the ((~~board~~)) WSLCB on or before the twentieth day of each month, for the previous month. (For example, a report listing transactions for the month of January is due by February 20th.) When the twentieth day of the month falls on a Saturday, Sunday, or a legal holiday, the filing must be postmarked by the U.S. Postal Service no later than the next postal business day;

(d) Filed separately for each marijuana license held; and

(e) All records must be maintained and available for review for a three-year period on licensed premises (see WAC 314-55-087).

(2) **Marijuana producer licensees:** On a monthly basis, marijuana producers must maintain records and report purchases from other licensed marijuana producers, current production and inventory on hand, sales by product type, and lost and destroyed product in a manner prescribed by the ((~~board.~~

~~A marijuana producer licensee must pay to the board a marijuana excise tax of twenty-five percent of the selling price on each wholesale sale to a licensed marijuana processor or producer~~)) WSLCB.

(3) **Marijuana processor licensees:** On a monthly basis, marijuana processors must maintain records and report purchases from licensed marijuana producers, other marijuana processors, production of marijuana-infused products, sales by product type to marijuana retailers, and lost and/or destroyed product in a manner prescribed by the ((~~board.~~

~~A marijuana processor licensee must pay to the board a marijuana excise tax of twenty-five percent of the selling price on each wholesale sale of usable marijuana, marijuana concentrates, and marijuana-infused product to a licensed marijuana retailer~~)) WSLCB.

(4) **Marijuana retailer's licensees:** On a monthly basis, marijuana retailers must maintain records and report purchases from licensed marijuana processors, sales by product type to consumers, and lost and/or destroyed product in a manner prescribed by the ((~~board~~)) WSLCB.

A marijuana retailer licensee must ((~~pay~~)) collect from the buyer and remit to the ((~~board~~)) WSLCB a marijuana excise tax of ((~~twenty-five~~)) thirty-seven percent of the selling price on each retail sale of usable marijuana, marijuana concentrates, and marijuana-infused products.

AMENDATORY SECTION (Amending WSR 14-10-044, filed 4/30/14, effective 5/31/14)

WAC 314-55-092 What if a marijuana licensee fails to report or pay, or reports or pays late? (1) If a marijuana licensee does not submit its monthly reports and/or payment(s) to the ((~~board~~)) WSLCB as required in WAC 314-55-089: The licensee is subject to penalties.

Penalties: A penalty of two percent per month will be assessed on any payments postmarked after the twentieth day of the month following the month of sale. When the twentieth day of the month falls on a Saturday, Sunday, or a legal holiday, the filing must be postmarked by the U.S. Postal Service no later than the next postal business day. Absent a postmark, the date received at the ((~~liquor control board~~)) WSLCB or authorized designee, will be used to assess the penalty of two percent per month on payments received after the twentieth day of the month following the month of sale.

(2) Failure to make a report and/or pay the license taxes and/or penalties in the manner and dates outlined in WAC 314-55-089 will be sufficient grounds for the ((~~board~~)) WSLCB to suspend or revoke a marijuana license.

AMENDATORY SECTION (Amending WSR 15-11-107, filed 5/20/15, effective 6/20/15)

WAC 314-55-095 Marijuana servings and transaction limitations. ((~~Marijuana dosage~~)) (1) For persons age twenty-one and older and qualifying patients or designated providers who are not entered into the medical marijuana authorization data base, marijuana serving and transaction limitations are as follows:

((~~(1)~~)) (a) **Single serving.** A single serving of a marijuana-infused product must not exceed ten milligrams active tetrahydrocannabinol (THC), or Delta 9.

((~~(2)~~)) (b) **Maximum number of servings.** The maximum number of servings in any one single unit of marijuana-infused product meant to be eaten or swallowed is ten servings or one hundred milligrams of active THC, or Delta 9, ((~~whichever is less~~)). A single unit of marijuana concentrate cannot exceed one gram.

((~~(3)~~)) (c) **Transaction limitation.** A single transaction is limited to one ounce of usable marijuana, sixteen ounces of marijuana-infused product meant to be eaten or swallowed in solid form, seven grams of marijuana-infused extract or marijuana concentrate for inhalation, and seventy-two ounces of marijuana-infused product in liquid form meant to be eaten or swallowed ((~~for persons twenty-one years of age and older~~)).

(2) For qualifying patients and designated providers who are entered into the medical marijuana authorization data base, serving and transaction limits are as follows:

(a) **Single serving.** Except as provided in chapter 246-70 WAC, a single serving of a marijuana-infused product must not exceed ten milligrams active tetrahydrocannabinol (THC), or Delta 9.

(b) **Maximum number of servings.** Except as provided in chapter 246-70 WAC, the maximum number of servings in any one single unit of marijuana-infused product meant to be eaten, swallowed or applied is

ten servings or one hundred milligrams of active THC, or Delta 9. A single unit of marijuana concentrate cannot exceed one gram.

(c) **Transaction limitation.** A single transaction by a retail store with a medical marijuana endorsement to a qualifying patient or designated provider who is entered into the medical marijuana data base is limited to three ounces of usable marijuana, forty-eight ounces of marijuana-infused product meant to be eaten or swallowed in solid form, twenty-one grams of marijuana-infused extract or marijuana concentrate for inhalation, and two hundred sixteen ounces of marijuana-infused product in liquid form meant to be eaten or swallowed.

NEW SECTION

WAC 314-55-096 Samples. (1) **Vendor samples:** Producers or processors may provide free samples of usable marijuana, marijuana-infused products, and marijuana concentrates in order to negotiate a sale. All sample limits are based on calendar months. The producer or processor must record the amount of each sample and the processor or retailer receiving the sample in the traceability system. The outgoing sample must be clearly labeled as a sample to negotiate a sale and recorded on a transport manifest. The receiving licensee must receive the sample in the traceability system prior to sampling.

(a) Producers may not provide any one licensed processor more than eight grams of marijuana flower per month free of charge for the purpose of negotiating a sale.

(b) Processors may not provide any one licensed retailer more than eight grams of usable marijuana per month free of charge for the purpose of negotiating a sale.

(c) Processors may not provide any one licensed retailer more than eight units of marijuana-infused products in solid form per month free of charge for the purpose of negotiating a sale. No single sample may exceed 10 mg of THC.

(d) Processors may not provide any one licensed retailer more than eight units of marijuana-infused product in liquid form per month free of charge for the purpose of negotiating a sale. No single sample may exceed 10 mg of THC.

(e) Processors may not provide any one licensed retailer more than two units of marijuana-infused extract meant for inhalation or infused marijuana mix per month free of charge for the purpose of negotiating a sale. No single sample may exceed 0.5 g.

(f) A marijuana producer must make quality assurance test results available to any processor receiving samples to negotiate a sale. The producer must also provide a statement that discloses all pesticides applied to the marijuana plants and growing medium during production.

(g) A marijuana processor must make quality assurance test results available to any retailer receiving samples to negotiate a sale. If a marijuana extract was added to the product, the processors must disclose the type of extraction process and any solvent, gas, or other chemical used in the extraction process, or any other compound added to the extract.

(2) **Vendor sample labeling:** All vendor samples must be clearly labeled as a vendor sample and meet all labeling requirements of the product to be sampled.

(a) Sixteen digit identification number generated by the traceability system;

(b) The UBI number of the licensed entity providing the sample; and

(c) Weight of the product.

(3) **Education sampling.** Processors may provide free samples of useable marijuana, marijuana-infused products, and marijuana concentrates to retail licensees to give to their budtender employees for educational purposes. The processor must record the amount of each sample and the retailer receiving the sample in the traceability system. The outgoing sample must be clearly labeled as "budtender sample" and recorded on a transport manifest. All budtender employees at a licensed retail location must be entered into the traceability system for the purpose of distributing education samples. Prior to sampling the receiving retailer must accept the sample in the traceability system, and distribute the education sample to the retail employee.

(a) All education samples are limited to a total of ten units per budtender employee per month, with a maximum of one hundred units per retail location per calendar month.

(b) The maximum size of samples for education are:

(i) Useable marijuana, marijuana mix, and infused marijuana mix – One unit not to exceed .5 g

(ii) Marijuana infused solid or liquid product meant to be eaten or swallowed – One unit not to exceed 10 mg THC

(iii) Marijuana-infused extract for inhalation – One unit not to exceed .25 g

(c) Products being sampled must be carried by the licensed retail premises.

(d) Distribution and consumption of all educational samples is limited to retail employees who directly sell product to retail customers. Retail employees who are not involved in direct sales to customers are not eligible for education samples.

(e) A marijuana processor must make quality assurance test results available to any retailer receiving education samples. If a marijuana extract was added to the product, the processors must disclose the type of extraction process and any solvent, gas, or other chemical used in the extraction process, or any other compound added to the extract.

(f) Education sample labeling: All education samples must be clearly labeled as "budtender" samples and include the following information on the label:

(i) Sixteen digit identification number generated by the traceability system;

(ii) The UBI number and trade name of the licensed entity providing the sample;

(iii) Product name or strain name for usable marijuana;

(iv) Weight of the product; and

(v) Potency.

(4) A marijuana processor is not required to provide free samples to negotiate a sale or educational samples to a marijuana retail licensee, and a marijuana retail licensee may not require a marijuana processor to provide free sample to negotiate a sale or educational samples as a condition for purchasing the marijuana processor's products.

(5) Marijuana retail licensees may not provide educational samples to their budtender employees as a form of compensation.

(6) **Internal quality control sampling**: Producers and processors may conduct limited self-sampling for quality control. All sample limits are based on calendar months. Sampling for quality control may not take place at a licensed premises. Only the producer, processor, or employees of the licensee may sample the marijuana flower, usable marijuana, marijuana-infused products, marijuana concentrates, and edible marijuana-infused product. The producer or processor must record the amount of each sample and the employee(s) conducting the sampling in the traceability system.

(a) Producers may sample two grams of marijuana flower per strain, per month for quality sampling.

(b) Processors may sample one unit per batch of a new edible marijuana-infused product meant to be eaten or swallowed to be offered for sale on the market.

(c) Processors may sample up to one unit per batch of a new marijuana-infused extract for inhalation to be offered for sale on the market. No single sample may exceed 0.5 g.

(d) Processors may sample one unit per batch of a new marijuana mix packaged to be offered for sale on the market. No single sample may exceed 1 g.

(e) Processors may sample one unit per batch of a new infused marijuana mix to be offered for sale on the market. No sample may exceed 0.5 g.

(7) **Retailers may not provide free samples to customers.**

(8) **Sample jars:** A processor may provide a retailer free samples of usable marijuana packaged in a sample jar protected by a plastic or metal mesh screen to allow customers to smell the product before purchase. The sample jar may not contain more than three and one-half grams of usable marijuana. The plastic or metal mesh screen must be sealed onto the container, and must be free of rips, tears, or holes greater than 2 mm in diameter. The sample jar and the usable marijuana within may not be sold to a customer and must be returned to the licensed processor who provided the usable marijuana and sample jar.

(9) **Sample labeling:** All vendor samples and sample jars must be labeled with the following:

(a) Sixteen digit identification number given by the traceability system;

(b) Information identifying whether it is a vendor sample or sample jar;

(c) The UBI number of the licensed entity providing the sample; and

(d) Weight of the product.

(10) A marijuana processor must make quality assurance test results available to any retailer receiving sample jars. The processor must also provide a statement that discloses all pesticides applied to the marijuana plants and growing medium during production.

If a marijuana extract was added to the product, the processor must disclose to the retailer the type of extraction process and any solvent, gas, or other chemical used in the extraction process, or any other compound added to the extract.

(11) **Transportation.** Outgoing and return vendor samples and sample jars must adhere to the transportation requirements in WAC 314-55-085.

AMENDATORY SECTION (Amending WSR 15-11-107, filed 5/20/15, effective 6/20/15)

WAC 314-55-097 Marijuana waste disposal——Liquids and solids. (1) Solid and liquid wastes generated during marijuana production and processing must be stored, managed, and disposed of in accordance with applicable state and local laws and regulations.

(2) Wastewater generated during marijuana production and processing must be disposed of in compliance with applicable state and local laws and regulations.

(3) Wastes from the production and processing of marijuana plants must be evaluated against the state's dangerous waste regulations (chapter 173-303 WAC) to determine if those wastes designate as dangerous waste. It is the responsibility of each waste generator to properly evaluate their waste to determine if it ((~~designates~~)) is designated as a dangerous waste. If a generator's waste does designate as a dangerous waste, then that waste(s) is subject to the applicable management standards found in chapter 173-303 WAC.

(a) Wastes that must be evaluated against the dangerous waste regulations include, but are not limited to, the following:

(i) Waste from marijuana flowers, trim and solid plant material used to create an extract (per WAC 314-55-104).

(ii) Waste solvents used in the marijuana process (per WAC 314-55-104).

(iii) Discarded plant waste, spent solvents and laboratory wastes from any marijuana processing or quality assurance testing.

(iv) Marijuana extract that fails to meet quality testing.

(b) Marijuana wastes that do not designate as dangerous shall be managed in accordance with subsection (4) of this section.

(c) A marijuana plant, usable marijuana, trim and other plant material in itself is not considered dangerous waste as defined under chapter 173-303 WAC unless it has been treated or contaminated with a solvent.

(4) Marijuana waste that does not designate as dangerous waste (per subsection (3) of this section) must be rendered unusable following the methods in subsection (5) of this section prior to leaving a licensed producer, processor, or laboratory. Disposal of the marijuana waste rendered unusable must follow the methods under subsection (6) of this section.

(a) Wastes that must be rendered unusable prior to disposal include, but are not limited to, the following:

(i) Waste evaluated per subsection (3) of this section and determined to not designate as "Dangerous Waste."

(ii) Marijuana plant waste, including roots, stalks, leaves, and stems that have not been processed with solvent.

(iii) Solid marijuana sample plant waste possessed by third-party laboratories accredited by the ((~~board~~)) WSLCB to test for quality assurance that must be disposed of.

(iv) Other wastes as determined by the ((~~LCB~~)) WSLCB.

(b) A producer or processor must provide the ((~~board~~)) WSLCB a minimum of seventy-two hours notice in the traceability system described in WAC 314-55-083(4) prior to rendering the product unusable and disposing of it.

(5) The allowable method to render marijuana plant waste unusable is by grinding and incorporating the marijuana plant waste with other

ground materials so the resulting mixture is at least fifty percent nonmarijuana waste by volume. Other methods to render marijuana waste unusable must be approved by ((~~LCB~~)) the WSLCB before implementation.

Material used to grind with the marijuana falls into two categories: Compostable waste and noncompostable waste.

(a) Compostable mixed waste: Marijuana waste to be disposed as compost feedstock or in another organic waste method (for example, anaerobic digester) may be mixed with the following types of waste materials:

(i) Food waste;

(ii) Yard waste;

(iii) Vegetable based grease or oils; or

(iv) Other wastes as approved by the ((~~LCB~~)) WSLCB.

(b) Noncompostable mixed waste: Marijuana waste to be disposed in a landfill or another disposal method (for example, incinerator) may be mixed with the following types of waste materials:

(i) Paper waste;

(ii) Cardboard waste;

(iii) Plastic waste;

(iv) Soil; or

(v) Other wastes as approved by the ((~~LCB~~)) WSLCB.

(6) Marijuana wastes rendered unusable following the method described in subsection (4) of this section can be disposed.

(a) Disposal of the marijuana waste rendered unusable may be delivered to a permitted solid waste facility for final disposition. Examples of acceptable permitted solid waste facilities include:

(i) Compostable mixed waste: Compost, anaerobic digester, or other facility with approval of the jurisdictional health department.

(ii) Noncompostable mixed waste: Landfill, incinerator, or other facility with approval of the jurisdictional health department.

(b) Disposal of the marijuana waste rendered unusable may be managed on-site by the generator in accordance with the standards of chapter 173-350 WAC.

(c) A record of the final destination of marijuana waste rendered unusable.

AMENDATORY SECTION (Amending WSR 13-21-104, filed 10/21/13, effective 11/21/13)

WAC 314-55-099 Standardized scales. (1) Marijuana producer and processor licensees must have at least one scale on the licensed premises for the traceability and inventory of products.

(2) The scales and other measuring devices are subject to chapter 19.94 RCW, and must meet the requirements of the most current version of chapter((~~s~~)) 16-662 ((~~and 16-664~~)) WAC.

(3) Licensees must register scales on a business license application with business license services through the department of revenue as required under chapter 19.94 RCW.

NEW SECTION

WAC 314-55-101 Sampling protocols. (1)(a) To ensure that quality assurance samples submitted to certified third-party labs are representative from the lot or batch from which they were sampled as required in RCW 69.50.348, licensed producers, licensed processors, certified third-party laboratories, and their employees must adhere to the following minimum sampling protocols.

(b) Samples must be deducted in a way that is most representative of the lot or batch and maintains the structure of the marijuana sample. Licensees, certified third-party laboratories, and their employees may not adulterate or change in any way the representative sample from a lot or batch before submitting the sample to certified third-party laboratories. This includes adulterating or changing the sample in any way as to inflate the level of potency, or to hide any microbiological contaminants from the required microbiological screening such as, but not limited to:

(i) Adulterating the sample with kief, concentrates, or other extracts;

(ii) Treating a sample with solvents to hide the microbial count of the lot or batch from which it was deducted. This is not meant to be construed as prohibiting the treatment of failed lots or batches with methods approved by the WSLCB; and

(iii) Pregrinding a flower lot sample.

(2) **Sampling protocols for all marijuana product lots and batches:** The deduction of all quality assurance samples must adhere to the following sampling protocols:

(a) All samples must be taken in a sanitary environment using sanitary practices and ensure facilities are constructed, kept, and maintained in a clean and sanitary condition in accordance with rules and as prescribed by the Washington state department of agriculture under chapters 16-165 and 16-167 WAC.

(b) Persons taking samples must wash their hands prior to deducting samples from a lot or batch, wear gloves while preparing or deducting the lot or batch for sampling, and must use sanitary utensils and storage devices.

(c) Samples must be placed in a sterile plastic or glass container, and stored in a location that prevents the propagation of pathogens and other contaminants. This includes low light levels, mild temperatures, and low humidity environments.

(d) The licensee shall maintain the lot or batch from which the sample was deducted in a secure, cool, and dry location to prevent the marijuana from becoming contaminated or losing its efficacy.

(3) **Additional sampling protocols for flower lots:**

(a) Licensees or certified third-party labs are required to deduct four separate samples from each marijuana flower lot in order to ensure representativeness of the lot. The four samples must be of equal weight, not less than one gram each, and the cumulative weight of the four samples may not be more than the maximum allowed in WAC 314-55-102.

(b) The four separate samples must be taken from different quadrants of the flower lot. A quadrant is the division of a lot into four equal parts. This may be done visually or physically, but must be done in a manner that ensures the samples were deducted from four evenly distributed areas of the flower lot.

(c) The four separate samples may be placed together in a container that conforms to subsection (2) of this section for storage and transfer to a certified third-party lab.

(4) Certified third-party laboratories may reject a sample if they believe the sample was not collected in the manner required by this section, has been adulterated in any way, contaminated with known or unknown solvents, or was manipulated in a way that violates the sampling protocols.

(5) The WSLCB or its designee will take immediate disciplinary action against any licensee or certified third-party lab which fails to comply with the provisions of this section or falsifies records related to this section including, without limitation, revoking the license or certificate of the licensed producer or processor, or certified third-party lab.

AMENDATORY SECTION (Amending WSR 15-11-107, filed 5/20/15, effective 6/20/15)

WAC 314-55-102 Quality assurance testing. (1) A third-party testing lab must be certified by the ((~~board~~)) WSLCB or their vendor as meeting the ((~~board's~~)) WSLCB's accreditation and other requirements prior to conducting required quality assurance tests. Certified labs will receive a certification letter from the ((~~board~~)) WSLCB and must conspicuously display this letter in the lab in plain sight of the customers. The ((~~board~~)) WSLCB can summarily suspend a lab's certification if a lab is found out of compliance with the requirements of ((~~WAC 314-55-102~~)) this chapter.

(2) A person with financial interest in a certified third-party testing lab may not have direct or indirect financial interest in a licensed marijuana producer or processor for whom they are conducting required quality assurance tests. A person with direct or indirect financial interest in a certified third-party testing lab must disclose to the ((~~board~~)) WSLCB by affidavit any direct or indirect financial interest in a licensed marijuana producer or processor.

(3) As a condition of certification, each lab must employ a scientific director responsible to ensure the achievement and maintenance of quality standards of practice. The scientific director shall meet the following minimum qualifications:

(a) Has earned, from a college or university accredited by a national or regional certifying authority a doctorate in the chemical or biological sciences and a minimum of two years' post-degree laboratory experience; or

(b) Has earned a master's degree in the chemical or biological sciences and has a minimum of four years' of post-degree laboratory experience; or

(c) Has earned a bachelor's degree in the chemical or biological sciences and has a minimum of six years of post-education laboratory experience.

(4) As a condition of certification, labs must follow the most current version of the Cannabis Inflorescence and Leaf monograph published by the *American Herbal Pharmacopoeia* or notify the ((~~board~~)) WSLCB what alternative scientifically valid testing methodology the lab is following for each quality assurance test. The ((~~board~~)) WSLCB may require third-party validation of any monograph or analytical

method followed by the lab to ensure the methodology produces scientifically accurate results prior to them using those standards when conducting required quality assurance tests.

(5) As a condition of certification, the ((~~board~~)) WSLCB may require third-party validation and ongoing monitoring of a lab's basic proficiency to correctly execute the analytical methodologies employed by the lab. The ((~~board~~)) WSLCB may contract with a vendor to conduct the validation and ongoing monitoring described in this subsection. The lab shall pay all vendor fees for validation and ongoing monitoring directly to the vendor.

(6) The lab must allow the ((~~board~~)) WSLCB or their vendor to conduct physical visits and inspect related laboratory equipment, testing and other related records during normal business hours without advance notice.

(7) Labs must adopt and follow minimum good lab practices (GLPs), and maintain internal standard operating procedures (SOPs), and a quality control/quality assurance (QC/QA) program as specified by the ((~~board~~)) WSLCB. The ((~~board~~)) WSLCB or authorized third-party organization can conduct audits of a lab's GLPs, SOPs, QC/QA, and inspect all other related records.

(8) The WSLCB or its designee will take immediate disciplinary action against any certified third-party lab which fails to comply with the provisions of this chapter or falsifies records related to this section including, without limitation, revoking the certificate of the certified third-party lab.

(9) The general body of required quality assurance tests for marijuana flowers and infused products may include moisture content, potency analysis, foreign matter inspection, microbiological screening, pesticide and other chemical residue and metals screening, and residual solvents levels.

((~~(9)~~)) (10) Table of required quality assurance tests defined in the most current version of the *Cannabis Inflorescence and Leaf* monograph published by the American Herbal Pharmacopoeia.

(a) Marijuana flower lots ((~~and other material lots~~)) require the following quality assurance tests:

Product	Test(s) Required	Maximum Sample Size
	Flower Lots and Other Material Lots	
Lots of marijuana flowers that will not be extracted	1. Moisture content 2. Potency analysis 3. Foreign matter inspection 4. Microbiological screening	7 grams

(b) Intermediate products must meet the following requirements:

(i) All intermediate products must be homogenized prior to quality assurance testing;

(ii) A batch for the purposes of this section is defined as a single run through the extraction or infusion process;

(iii) A batch of marijuana mix may not exceed five pounds and must be chopped or ground so no particles are greater than 3 mm; and

((~~(iii)~~)) (iv) All batches of intermediate products require the following quality assurance tests:

Product	Test(s) Required Intermediate Products	Maximum Sample Size
Marijuana mix	1. Moisture content 2. Potency analysis 3. Foreign matter inspection 4. Microbiological screening	7 grams
Concentrate or extract made with hydrocarbons (solvent based made using n-butane, isobutane, propane, heptane, or other solvents or gases approved by the board of at least 99% purity	1. Potency analysis 2. Microbiological screening (only if using flowers and other plant material that has not passed QA testing) 3. Residual solvent test	2 grams
Concentrate or extract made with a CO_2 extractor like hash oil	1. Potency analysis 2. Microbiological screening (only if using flowers and other plant material that has not passed QA testing)	2 grams
Concentrate or extract made with ethanol	1. Potency analysis 2. Microbiological screening (only if using flowers and other plant material that has not passed QA testing) 3. Residual solvent	2 grams
Concentrate or extract made with approved food grade solvent	1. Potency analysis 2. Microbiological screening (only if using flowers and other plant material that has not passed QA testing)	2 grams
Concentrate or extract (nonsolvent) such as ((~~keif~~)) kief, hashish, or bubble hash	1. Potency analysis 2. Microbiological ((~~screening (only if using flowers and other plant material that has not passed QA testing)~~)))	2 grams
Infused cooking oil or fat in solid form	1. Potency analysis 2. Microbiological screening (only if using flowers and other plant material that has not passed QA testing)	2 grams

(c) All marijuana, marijuana-infused products, ((~~and~~)) marijuana concentrates, marijuana mix packaged, and marijuana mix infused sold from a processor to a retailer require the following quality assurance tests:

Product	Test(s) Required End Products	Maximum Sample Size
Infused solid edible	1. Potency analysis	1 unit
Infused liquid (like a soda or tonic)	1. Potency analysis	1 unit
Infused topical	1. Potency analysis	1 unit
Marijuana mix packaged (loose or rolled)	1. Potency analysis	2 grams
((~~Infused~~)) Marijuana mix infused (loose or rolled)	1. Potency analysis	2 grams
Concentrate or marijuana-infused product for inhalation	1. Potency analysis	1 unit

(d) End products consisting of only one intermediate product that has not been changed in any way is not subject to potency analysis.

((~~(10) Independent testing~~)) (11) Certified third-party labs may request additional sample material in excess of amounts listed in the table in subsection ((~~(9)~~)) (10) of this section for the purposes of completing required quality assurance tests. Labs certified as meeting the ((~~board's~~)) WSLCB's accreditation requirements may retrieve samples from a marijuana licensee's licensed premises and transport the samples directly to the lab and return any unused portion of the samples.

((~~(11)~~)) (12) Labs certified as meeting the ((~~board's~~)) WSLCB's accreditation requirements are not limited in the amount of usable marijuana and marijuana products they may have on their premises at any given time, but they must have records to prove all marijuana and marijuana-infused products only for the testing purposes described in WAC 314-55-102.

((~~(12)~~)) (13) At the discretion of the ((~~board~~)) WSLCB, a producer or processor must provide an employee of the ((~~board~~)) WSLCB or their designee samples in the amount listed in subsection ((~~(9)~~)) (10) of this section or samples of the growing medium, soil amendments, fertilizers, crop production aids, pesticides, or water for random compliance checks. Samples may be screened for pesticides and chemical residues, unsafe levels of metals, and used for other quality assurance tests deemed necessary by the ((~~board~~)) WSLCB. All costs of this testing will be borne by the producer or processor.

((~~(13)~~)) (14) No lot of usable flower, batch of marijuana concentrate, or batch of marijuana-infused product may be sold or transported until the completion of all required quality assurance testing. Business entities with multiple locations licensed under the same UBI number may transfer marijuana products between the licensed locations under their UBI number prior to quality assurance testing.

((~~(14)~~)) (15) Any usable marijuana or marijuana-infused product that passed the required quality assurance tests may be labeled as "Class A." Only "Class A" usable marijuana or marijuana-infused product will be allowed to be sold.

((~~(15)~~)) (16) Upon approval of the ((~~board~~)) WSLCB, a lot that fails a quality assurance test and the associated trim, leaf and other usable material may be used to create extracts using hydrocarbon or CO_2 closed loop system. After processing, the CO_2 or hydrocarbon based extract must still pass all required quality assurance tests in WAC 314-55-102.

((~~(16)~~)) (17) At the request of the producer or processor, the ((~~board~~)) WSLCB may authorize a retest to validate a failed test result on a case-by-case basis. All costs of the retest will be borne by the producer or the processor.

((~~(17)~~)) (18) Labs must report all required quality assurance test results directly into ((~~LCB's~~)) the WSLCB's seed to sale traceability system within twenty-four hours of completion. Labs must also record in the seed to sale traceability system an acknowledgment of the receipt of samples from producers or processors and verify if any unused portion of the sample was destroyed or returned to the licensee.

AMENDATORY SECTION (Amending WSR 15-11-107, filed 5/20/15, effective 6/20/15)

WAC 314-55-103 Good laboratory practice checklist. A third-party testing lab must be certified by the ((~~Washington state liquor control board (~~))WSLCB((~~)~~)) or its vendor as meeting the ((~~board's~~)) WSLCB's accreditation and other requirements prior to conducting required quality assurance tests. The following checklist will be used by the ((~~board~~)) WSLCB or its vendor to certify third-party testing labs:

ORGANIZATION	Document Reference	Y	N	NA	Comments
1. The laboratory or the organization of which it is a part of shall be an entity that can be held legally responsible.	-	-	-	-	-
2. The laboratory conducting third-party testing shall have no financial interest in a licensed producer or processor for which testing is being conducted.	-	-	-	-	-
If the laboratory is part of an organization performing activities other than testing and/or calibration, the responsibilities of key personnel in the organization that have an involvement or influence on the testing and/or calibration activities of the laboratory shall be defined in order to identify potential conflicts of interest.	-	-	-	-	-
3. The laboratory shall have policies and procedures to ensure the protection of its client's confidential information and proprietary rights, including procedures for protecting the electronic storage and transmission of results.	-	-	-	-	-
4. The laboratory is responsible for all costs of initial certification and ongoing site assessments.	-	-	-	-	-
5. The laboratory must agree to site assessments every two years to maintain certification.	-	-	-	-	-
6. The laboratory must allow WSLCB staff or their representative to conduct physical visits and check I-502 related laboratory activities at any time.	-	-	-	-	-
7. The laboratory must report all test results directly into WSLCB's traceability system within twenty-four hours of completion. Labs must also record in the traceability system an acknowledgment of the receipt of samples from producers or processors and verify if any unused portion of the sample was destroyed or returned to the customer.	-	-	-	-	-

HUMAN RESOURCES	Document Reference	Y	N	NA	Comments
8. Job descriptions for owners and all employees: Key staff.	-	-	-	-	-
9. Qualifications of owners and staff: CVs for staff on file.	-	-	-	-	-
a. Have technical management which has overall responsibility for the technical operations and the provision of the resources needed to ensure the required quality of laboratory operations.	-	-	-	-	-
b. Documentation that the scientific director meets the requirements of WSLCB rules.	-	-	-	-	-
c. Chain of command, personnel organization/flow chart, dated and signed by the laboratory director.	-	-	-	-	-
d. Written documentation of delegation of responsibilities (assigned under chapter 314-55 WAC as related to quality assurance testing) to qualified personnel, signed and dated by the laboratory director.	-	-	-	-	-
e. Documentation of employee competency: Prior to independently analyzing samples, testing personnel must demonstrate acceptable performance on precision, accuracy, specificity, reportable ranges, blanks, and unknown challenge samples (proficiency samples or internally generated quality controls). Dated and signed by the laboratory director.	-	-	-	-	-
f. Designate a quality manager (however named) who, irrespective of other duties and responsibilities, shall have defined responsibility and authority for ensuring that the quality system is implemented and followed; the quality manager shall have direct access to the highest level of management at which decisions are made on laboratory policy or resources.	-	-	-	-	-

	HUMAN RESOURCES	Document Reference	Y	N	NA	Comments
10.	Written and documented system detailing the qualifications of each member of the staff.	-	-	-	-	-
	The need to require formal qualification or certification of personnel performing certain specialized activities shall be evaluated and implemented where necessary.	-	-	-	-	-
11.	Standard operating procedure manual that details records of internal training provided by facility for staff. Laboratory director must approve, sign and date each procedure.	-	-	-	-	-
a.	Instructions on regulatory inspection and preparedness.	-	-	-	-	-
b.	Instruction on law enforcement interactions.	-	-	-	-	-
c.	Information on U.S. federal laws, regulations, and policies relating to individuals employed in these operations, and the implications of these for such employees.	-	-	-	-	-
d.	Written and documented system of employee training on hazards (physical and health) of chemicals in the workplace, including prominent location of MSDS sheets and the use of appropriate PPE.	-	-	-	-	-
e.	Written and documented system on the competency of personnel on how to handle chemical spills and appropriate action; spill kit on-site and well-labeled, all personnel know the location and procedure.	-	-	-	-	-
f.	Information on how employees can access medical attention for chemical or other exposures, including follow-up examinations without cost or loss of pay.	-	-	-	-	-
g.	Biosafety and sterile technique training.	-	-	-	-	-

	STANDARD OPERATING PROCEDURES	Document Reference	Y	N	NA	Comments
12.	As appropriate, laboratory operations covered by procedures shall include, but not be limited to, the following:	-	-	-	-	-
a.	Environmental, safety and health activities;	-	-	-	-	-
b.	Sample shipping and receipt;	-	-	-	-	-
c.	Laboratory sample chain of custody and material control;	-	-	-	-	-
d.	Notebooks/logbooks;	-	-	-	-	-
e.	Sample storage;	-	-	-	-	-
f.	Sample preparation;	-	-	-	-	-
g.	Sample analysis;	-	-	-	-	-
h.	Standard preparation and handling;	-	-	-	-	-
i.	Postanalysis sample handling;	-	-	-	-	-
j.	Control of standards, reagents and water quality;	-	-	-	-	-
k.	Cleaning of glassware;	-	-	-	-	-
l.	Waste minimization and disposition.	-	-	-	-	-
13.	The following information is required for procedures as appropriate to the scope and complexity of the procedures or work requested:	-	-	-	-	-
a.	Scope (e.g., parameters measured, range, matrix, expected precision, and accuracy);	-	-	-	-	-
b.	Unique terminology used;	-	-	-	-	-
c.	Summary of method;	-	-	-	-	-
d.	Interferences/limitations;	-	-	-	-	-
e.	Approaches to address background corrections;	-	-	-	-	-
f.	Apparatus and instrumentation;	-	-	-	-	-

STANDARD OPERATING PROCEDURES	Document Reference	Y	N	NA	Comments
g. Reagents and materials;	-	-	-	-	-
h. Hazards and precautions;	-	-	-	-	-
i. Sample preparation;	-	-	-	-	-
j. Apparatus and instrumentation setup;	-	-	-	-	-
k. Data acquisition system operation;	-	-	-	-	-
l. Calibration and standardization;	-	-	-	-	-
m. Procedural steps;	-	-	-	-	-
n. QC parameters and criteria;	-	-	-	-	-
o. Statistical methods used;	-	-	-	-	-
p. Calculations;	-	-	-	-	-
q. Assignment of uncertainty;	-	-	-	-	-
r. Forms used in the context of the procedure.	-	-	-	-	-

FACILITIES AND EQUIPMENT	Document Reference	Y	N	NA	Comments
14. Allocation of space: Adequate for number of personnel and appropriate separation of work areas.	-	-	-	-	-
15. Arrangement of space.	-	-	-	-	-
a. Allows for appropriate work flow, sampling, lab space separate from office and break areas.	-	-	-	-	-
b. Employee bathroom is separate from any laboratory area.	-	-	-	-	-
16. Adequate eyewash/safety showers/sink.	-	-	-	-	-
17. Procurement controls.	-	-	-	-	-
a. The laboratory shall have procedure(s) for the selection and purchasing of services and supplies it uses that affect the quality of the tests and/or calibrations. Procedures shall exist for the purchase, receipt and storage of reagents and laboratory consumable materials relevant for the tests and calibrations.	-	-	-	-	-
b. The laboratory shall ensure that purchased supplies and reagents and consumable materials that affect the quality of tests and/or calibrations are inspected or otherwise verified as complying with standard specifications or requirements defined in the methods for the tests and/or calibrations concerned.	-	-	-	-	-
c. Prospective suppliers shall be evaluated and selected on the basis of specified criteria.	-	-	-	-	-
d. Processes to ensure that approved suppliers continue to provide acceptable items and services shall be established and implemented.	-	-	-	-	-
e. When there are indications that subcontractors knowingly supplied items or services of substandard quality, this information shall be forwarded to appropriate management for action.	-	-	-	-	-
18. Utilities.	-	-	-	-	-
a. Electrical:	-	-	-	-	-
i. Outlets: Adequate, unobstructed, single-use, no multiplug adaptors;	-	-	-	-	-
ii. No extension cords;	-	-	-	-	-
iii. Ground fault circuit interrupters near wet areas.	-	-	-	-	-
b. Plumbing:	-	-	-	-	-
i. Appropriateness of sink usage: Separate for work/personal use;	-	-	-	-	-
ii. Adequate drainage from sinks or floor drains;	-	-	-	-	-

FACILITIES AND EQUIPMENT		Document Reference	Y	N	NA	Comments
iii.	Hot and cold running water.	-	-	-	-	-
c.	Ventilation:	-	-	-	-	-
i.	Areas around solvent use or storage of waste solvent;	-	-	-	-	-
ii.	Vented hood for any microbiological analysis - Class II Type A biosafety cabinet.	-	-	-	-	-
d.	Vacuum: Appropriate utilities/traps for prevention of contamination.	-	-	-	-	-
e.	Shut-off controls: Located outside of the laboratory.	-	-	-	-	-
19.	Waste disposal: Appropriate for the type of waste and compliant with WAC 314-55-097((,)) Marijuana waste disposal —Liquids and solids.	-	-	-	-	-
20.	Equipment list.	-	-	-	-	-
	Equipment and/or systems requiring periodic maintenance shall be identified and records of major equipment shall include:	-	-	-	-	-
a.	Name;	-	-	-	-	-
b.	Serial number or unique identification;	-	-	-	-	-
c.	Date received and placed in service;	-	-	-	-	-
d.	Current location;	-	-	-	-	-
e.	Condition at receipt;	-	-	-	-	-
f.	Manufacturer's instructions;	-	-	-	-	-
g.	Date of calibration or date of next calibration;	-	-	-	-	-
h.	Maintenance;	-	-	-	-	-
i.	History of malfunction.	-	-	-	-	-
21.	Maintenance.	-	-	-	-	-
a.	Regular preventive maintenance of equipment demonstration in logbook including, but not limited to: Thermometer calibration, pipette calibrations, analytical balances, and analytical equipment. Documentation of a schedule and reviewed by the laboratory director.	-	-	-	-	-
b.	Documentation of curative maintenance in logbook, signed and dated by laboratory director.	-	-	-	-	-
c.	Temperature maintenance logbook for refrigerators.	-	-	-	-	-
d.	Decontamination and cleaning procedures for:	-	-	-	-	-
i.	Instruments;	-	-	-	-	-
ii.	Bench space;	-	-	-	-	-
iii.	Ventilation hood.	-	-	-	-	-
e.	Documentation of adequacy of training of personnel and responsibility for each maintenance task.	-	-	-	-	-
f.	The organization shall describe or reference how periodic preventive and corrective maintenance of measurement or test equipment shall be performed to ensure availability and satisfactory performance of the systems.	-	-	-	-	-
22.	Computer systems.	-	-	-	-	-
a.	Adequate for sample tracking.	-	-	-	-	-
b.	Adequate for analytical equipment software.	-	-	-	-	-
c.	Software control requirements applicable to both commercial and laboratory developed software shall be developed, documented, and implemented.	-	-	-	-	-
d.	In addition, procedures for software control shall address the security systems for the protection of applicable software.	-	-	-	-	-

FACILITIES AND EQUIPMENT		Document Reference	Y	N	NA	Comments
e.	For laboratory-developed software, a copy of the original program code shall be:	-	-	-	-	-
i.	Maintained;	-	-	-	-	-
ii.	All changes shall include a description of the change, authorization for the change;	-	-	-	-	-
iii.	Test data that validates the change.	-	-	-	-	-
f.	Software shall be acceptance tested when installed, after changes, and periodically during use, as appropriate.	-	-	-	-	-
g.	Testing may consist of performing manual calculations or checking against another software product that has been previously tested, or by analysis of standards.	-	-	-	-	-
h.	The version and manufacturer of the software shall be documented.	-	-	-	-	-
i.	Commercially available software may be accepted as supplied by the vendor. For vendor supplied instrument control/data analysis software, acceptance testing may be performed by the laboratory.	-	-	-	-	-
23.	Security.	-	-	-	-	-
a.	Written facility security procedures during operating and nonworking hours.	-	-	-	-	-
b.	Roles of personnel in security.	-	-	-	-	-
c.	SOP for controlled access areas and personnel who can access.	-	-	-	-	-
d.	Secured areas for log-in of sample, and for short and long-term storage of samples.	-	-	-	-	-
24.	Storage.	-	-	-	-	-
a.	Appropriate and adequate for sample storage over time. The laboratory shall monitor, control and record environmental conditions as required by the relevant specifications, methods and procedures or where they influence the quality of the results. Due attention shall be paid, for example, to biological sterility, dust, electromagnetic disturbances, humidity, electrical supply, temperature, and sound and vibration levels, as appropriate to the technical activities concerned.	-	-	-	-	-
b.	Adequate storage of chemical reference standards.	-	-	-	-	-
c.	Appropriate storage of any reagents: Fireproof cabinet, separate cabinet for storage of any acids.	-	-	-	-	-
d.	Appropriate safe and secure storage of documents etc., archiving, retrieval of, maintenance of and security of data for a period of three years.	-	-	-	-	-

QA PROGRAM AND TESTING		Document Reference	Y	N	NA	Comments
25.	Sampling/sample protocols: Written and approved by the laboratory director.	-	-	-	-	-
a.	Demonstrate adequacy of the chain-of-custody tracking upon receipt of sample including all personnel handling the sample.	-	-	-	-	-
b.	Sampling method (representative of an entire batch) including, but not limited to, homogenization, weighing, labeling, sample identifier (source, lot), date and tracking.	-	-	-	-	-
c.	Condition of the sample: Macroscopic and foreign matter inspection - Fit for purpose test. Scientifically valid testing methodology: Either AHP monograph compliant, other third-party validation.	-	-	-	-	-
d.	Failed inspection of product: Tracking and reporting.	-	-	-	-	-
e.	Return of failed product documentation and tracking.	-	-	-	-	-

	QA PROGRAM AND TESTING	Document Reference	Y	N	NA	Comments
f.	Disposal of used/unused samples documentation.	-	-	-	-	-
g.	Sample preparation, extraction and dilution SOP.	-	-	-	-	-
h.	Demonstration of recovery for samples in various matrices (SOPs):	-	-	-	-	-
i.	Plant material - Flower;	-	-	-	-	-
ii.	Edibles (solid and liquid meant to be consumed orally);	-	-	-	-	-
iii.	Topical;	-	-	-	-	-
iv.	Concentrates.	-	-	-	-	-
26.	Data protocols.	-	-	-	-	-
a.	Calculations for quantification of cannabinoid content in various matrices - SOPs.	-	-	-	-	-
b.	Determination of the range for reporting the quantity (LOD/ LOQ) data review or generation.	-	-	-	-	-
c.	Reporting of data: Certificates of analysis (CA) - Clear and standardized format for consumer reporting.	-	-	-	-	-
d.	Documentation that the value reported in the CA is within the range and limitations of the analytical method.	-	-	-	-	-
e.	Documentation that qualitative results (those below the LOQ but above the LOD) are reported as "trace," or with a nonspecific (numerical) designation.	-	-	-	-	-
f.	Documentation that the methodology has the specificity for the degree of quantitation reported. Final reports are not quantitative to any tenths or hundredths of a percent.	-	-	-	-	-
g.	Use of appropriate "controls": Documentation of daily use of positive and negative controls that challenge the linearity of the curve; and/or an appropriate "matrix blank" and control with documentation of the performance for each calibration run.	-	-	-	-	-
27.	Chemical assay procedure/methodology.	-	-	-	-	-
28.	Proficiency:	-	-	-	-	-
a.	Documentation of use of an appropriate internal standard for any quantitative measurements as applicable to the method.	-	-	-	-	-
b.	Appropriate reference standards for quantification of analytes, performing and documenting a calibration curve with each analysis.	-	-	-	-	-
c.	Demonstration of calibration curve r^2value of no less than 0.995 with a minimum of four points within the range.	-	-	-	-	-
d.	Documentation of any proficiency testing as it becomes available. Laboratory director must review, evaluate and report to the WSLCB any result that is outside the stated acceptable margin of error.	-	-	-	-	-
29.	Method validation: Scientifically valid testing methodology: Either AHP monograph compliant, other third-party validation; **or**	-	-	-	-	-
30.	Level II validation of methodology used for quantification of THC, THCA and CBD for total cannabinoid content (if reporting other cannabinoids, the method must also be validated for those compounds):	-	-	-	-	-
a.	Single lab validation parameters are demonstrated for GC, HPLC data review:	-	-	-	-	-
i.	Linearity of reference standards;	-	-	-	-	-
ii.	Use of daily standard curve;	-	-	-	-	-
iii.	Accuracy;	-	-	-	-	-
iv.	Precision;	-	-	-	-	-

QA PROGRAM AND TESTING		Document Reference	Y	N	NA	Comments
v.	Recovery (5 determinations not less than 90%);	-	-	-	-	-
vi.	Reproducibility over time within a relative standard deviation of 5%.	-	-	-	-	-
b.	Dynamic range of the instrumentation: Limits of quantification (LOQ) and limits of detection (LOD).	-	-	-	-	-
c.	Matrix extensions for each type of product tested, data review of recovery for:	-	-	-	-	-
i.	Solvent-based extract;	-	-	-	-	-
ii.	CO_2 extraction or other "hash oil";	-	-	-	-	-
iii.	Extract made with food grade ethanol;	-	-	-	-	-
iv.	Extract made with food grade glycerin or propylene glycol;	-	-	-	-	-
v.	Infused liquids;	-	-	-	-	-
vi.	Infused solids;	-	-	-	-	-
vii.	Infused topical preparations;	-	-	-	-	-
viii.	Other oils, butter or fats.	-	-	-	-	-
d.	Presence of QC samples and recording of daily testing.	-	-	-	-	-
e.	Appropriate use of an internal reference standard.	-	-	-	-	-
f.	Daily monitoring of the response of the instrument detection system.	-	-	-	-	-
31.	Other methods.	-	-	-	-	-
a.	Microbiological methods fit for purpose.	-	-	-	-	-
b.	Microbial contaminants within limits of those listed in the most recent AHP monograph and otherwise directed by WSLCB.	-	-	-	-	-
c.	Moisture content testing fit for purpose. Scientifically valid testing methodology: Either AHP monograph compliant, other third-party validation.	-	-	-	-	-
d.	Solvent residuals testing fit for purpose; solvent extracted products made with class 3 or other solvents used are not to exceed ((~~0.5% residual solvent by weight or~~)) 500 parts per million (PPM) per one gram of solvent based product and are to be tested.	-	-	-	-	-
e.	Any other QA/QC methods is proven to be fit for purpose.	-	-	-	-	-
32.	Laboratory notebooks.	-	-	-	-	-
a.	Legible and in ink (or computerized system).	-	-	-	-	-
b.	Signed and dated.	-	-	-	-	-
c.	Changes initialed and dated.	-	-	-	-	-
d.	Periodically reviewed and signed by a management representative.	-	-	-	-	-
33.	Preventive/corrective action.	-	-	-	-	-
	The laboratory shall have a process in place to document quality affecting preventive/corrective actions through resolution.	-	-	-	-	-
34.	Periodic management review.	-	-	-	-	-
	Laboratory management shall periodically review its quality system and associated procedures to evaluate continued adequacy. This review shall be documented.	-	-	-	-	-

AMENDATORY SECTION (Amending WSR 15-11-107, filed 5/20/15, effective 6/20/15)

WAC 314-55-104 Marijuana processor license extraction requirements. (1) Processors are limited to certain methods, equipment, solvents, gases and mediums when creating marijuana extracts.

(2) Processors may use the hydrocarbons N-butane, isobutane, propane, or heptane or other solvents or gases exhibiting low to minimal potential human health-related toxicity approved by the ((~~board~~)) WSLCB. These solvents must be of at least ninety-nine percent purity and a processor must use them in a professional grade closed loop extraction system designed to recover the solvents, work in an environment with proper ventilation, controlling all sources of ignition where a flammable atmosphere is or may be present.

(3) Processors may use a professional grade closed loop CO_2 gas extraction system where every vessel is rated to a minimum of six hundred pounds per square inch. The CO_2 must be of at least ninety-nine percent purity.

(4) Closed loop systems for hydrocarbon or CO_2 extraction systems must be commercially manufactured and bear a permanently affixed and visible serial number.

(5) Certification from a licensed engineer must be provided to the ((~~liquor control board~~)) WSLCB for professional grade closed loop systems used by processors to certify that the system was commercially manufactured, safe for its intended use, and built to codes of recognized and generally accepted good engineering practices, such as:

(a) The American Society of Mechanical Engineers (ASME);

(b) American National Standards Institute (ANSI);

(c) Underwriters Laboratories (UL); or

(d) The American Society for Testing and Materials (ASTM).

((~~(5)~~)) (6) The certification document must contain the signature and stamp of a professional engineer and the serial number of the extraction unit being certified.

(7) Professional closed loop systems, other equipment used, the extraction operation, and facilities must be approved for their use by the local fire code official and meet any required fire, safety, and building code requirements specified in:

(a) Title 296 WAC;

(b) Chapters 51-51 and 51-54A WAC;

(c) National Fire Protection Association (NFPA) standards;

((~~(c)~~)) (d) International Building Code (IBC);

((~~(d)~~)) (e) International Fire Code (IFC); and

((~~(e)~~)) (f) Other applicable standards including following all applicable fire, safety, and building codes in processing and the handling and storage of the solvent or gas.

((~~(6)~~)) (8) Processors may use heat, screens, presses, steam distillation, ice water, and other methods without employing solvents or gases to create kief, hashish, bubble hash, or infused dairy butter, or oils or fats derived from natural sources, and other extracts.

((~~(7)~~)) (9) Under WAC 314-55-077, infused dairy butter and oils or fats derived from natural sources may be used to prepare infused edible products, but they may not be prepared as stand-alone edible products for sale.

((~~(8)~~)) (10) Processors may use food grade glycerin, ethanol, and propylene glycol solvents to create extracts. All ethanol must be re-

moved from the extract in a manner to recapture the solvent and ensure that it is not vented into the atmosphere.

((~~(9)~~)) (11) Processors creating marijuana extracts must develop standard operating procedures, good manufacturing practices, and a training plan prior to producing extracts for the marketplace. Any person using solvents or gases in a closed looped system to create marijuana extracts must be fully trained on how to use the system, have direct access to applicable material safety data sheets and handle and store the solvents and gases safely.

((~~(10)~~)) (12) Parts per million for one gram of finished extract cannot exceed 500 parts per million or residual solvent or gas when quality assurance tested per RCW 69.50.348.

AMENDATORY SECTION (Amending WSR 15-11-107, filed 5/20/15, effective 6/20/15)

WAC 314-55-105 Packaging and labeling requirements. (1) All usable marijuana and marijuana-infused products must be stored behind a counter or other barrier to ensure a customer does not have direct access to the product.

(2) Any container or packaging containing usable marijuana, marijuana concentrates, or marijuana-infused products must protect the product from contamination and must not impart any toxic or deleterious substance to the usable marijuana, marijuana concentrates, or marijuana-infused product.

(3) Upon the request of a retail customer, a retailer must disclose the name of the ((~~accredited~~)) certified third-party testing lab and results of the required quality assurance test for any usable marijuana, marijuana concentrate, or marijuana-infused product the customer is considering purchasing.

(4) Usable marijuana, marijuana concentrates, and marijuana-infused products ((~~may~~)) must not be labeled as organic unless permitted by the United States Department of Agriculture in accordance with the Organic Foods Production Act.

(5) The ((~~accredited~~)) certified third-party testing lab and required results of the quality assurance test must be included with each lot and disclosed to the customer buying the lot.

(6) A marijuana producer must make quality assurance test results available to any processor purchasing product. A marijuana producer must label each lot of marijuana with the following information:

(a) Lot number;

(b) UBI number of the producer; and

(c) Weight of the product.

(7) Marijuana-infused products and marijuana concentrates meant to be eaten, swallowed, or inhaled, must be packaged in child resistant packaging in accordance with Title 16 C.F.R. 1700 of the Poison Prevention Packaging Act or use standards specified in this subsection. Marijuana-infused product in solid or liquid form may be packaged in plastic four mil or greater in thickness and be heat sealed with no easy-open tab, dimple, corner, or flap as to make it difficult for a child to open and as a tamperproof measure. Marijuana-infused product in liquid form may also be sealed using a metal crown cork style bottle cap.

Marijuana-infused solid edible products. If there is more than one serving in the package, each serving must be packaged individually in childproof packaging (see WAC 314-55-105(7)) and placed in the outer package.

Marijuana-infused liquid edible products. If there is more than one serving in the package, a measuring device must be included in the package with the product. Hash marks on the bottle do not qualify as a measuring device. A measuring cap or dropper must be included in the package with the marijuana-infused liquid edible product.

(8) ((~~A processor may provide a retailer free samples of usable marijuana packaged in a sample jar protected by a plastic or metal mesh screen to allow customers to smell the product before purchase. The sample jar may not contain more than three and one-half grams of usable marijuana. The sample jar and the usable marijuana within may not be sold to a customer and must be returned to the licensed processor who provided the usable marijuana and sample jar.~~

~~(9) A producer or processor may not treat or otherwise adulterate usable marijuana with any organic or nonorganic chemical or other compound whatsoever to alter the color, appearance, weight, or smell of the usable marijuana.~~

~~(10)~~)) Labels must comply with the version of NIST Handbook 130, Uniform Packaging and Labeling Regulation adopted in chapter 16-662 WAC.

((~~(11)~~)) (9) **All ((~~usable~~)) marijuana and marijuana products when sold at retail must include accompanying material that ((~~contains~~)) is attached to the package or is given separately to the consumer containing the following warnings ((~~that state~~)):**

(a) "Warning: This product has intoxicating effects and may be habit forming. Smoking is hazardous to your health";

(b) "There may be health risks associated with consumption of this product";

(c) "Should not be used by women that are pregnant or breast feeding";

(d) "For use only by adults twenty-one and older. Keep out of reach of children";

(e) "Marijuana can impair concentration, coordination, and judgment. Do not operate a vehicle or machinery under the influence of this drug";

(f) Statement that discloses all pesticides applied to the marijuana plants and growing medium during production and processing.

((~~(12) **All marijuana concentrates and marijuana-infused products sold at retail must include accompanying material that contains the following warnings that state:**~~

~~(a) "There may be health risks associated with consumption of this product";~~

~~(b) "This product is infused with marijuana or active compounds of marijuana";~~

~~(c) "Should not be used by women that are pregnant or breast feeding";~~

~~(d) "For use only by adults twenty-one and older. Keep out of reach of children";~~

~~(e) "Products containing marijuana can impair concentration, coordination, and judgment. Do not operate a vehicle or machinery under the influence of this drug";~~

~~(f) "Caution: When eaten or swallowed, the intoxicating effects of this drug may be delayed by two or more hours";~~

~~(g) Statement that discloses all pesticides applied to the marijuana plants and growing medium during production of the base marijuana used to create the extract added to the infused product; and~~

~~(h) Statement that discloses the type of extraction method, including any solvents, gases, or other chemicals or compounds used to produce or that are added to the extract.~~

~~(13)~~)) (10) **Labels affixed to the container or package containing ((~~usable~~)) marijuana or marijuana products sold at retail must include:**

(a) The business or trade name and the sixteen digit Washington state unified business identifier number of the licensees that produced, processed and sold the ((~~usable~~)) marijuana or marijuana products. The marijuana retail licensee trade name and Washington state unified business identifier number may be in the form of a sticker placed on the label;

(b) Sixteen digit inventory ID number assigned by the ((~~liquor control board's~~)) WSLCB's traceability system. This must be the same number that appears on the transport manifest;

(c) ((~~Concentration of THC, (total THC and activated THC-A), and CBD;~~

~~(d)~~)) Net weight in ounces and grams or volume as appropriate;

((~~(e)~~)) (d) Statement that discloses all pesticides applied to the marijuana plants and growing medium during production of the base marijuana used to create the extract added to infused products; and

(e) If solvents were used, statement that discloses the type of extraction method, including any solvents, gases, or other chemicals or compounds used to produce or that are added to the extract.

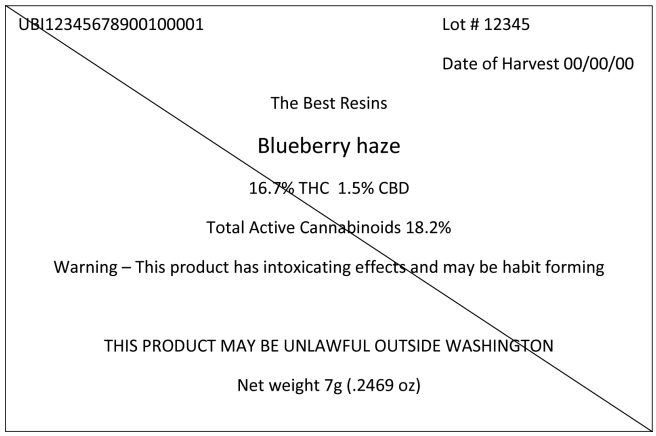
(f) Warnings that state: "This product has intoxicating effects and may be habit forming";

((~~(f)~~)) (g) Statement that "This product may be unlawful outside of Washington state";

((~~(g) Date of harvest; and~~))

(h) The ((~~board~~)) WSLCB may create a logo that must be placed on all usable marijuana and marijuana-infused products.

((~~(14) **Sample label mock up for a container or package containing usable marijuana sold at retail with required information:**~~



~~(15) **Labels affixed to the container or package containing marijuana-infused products sold at retail must include:**~~

~~(a) The business or trade name and Washington state unified business identifier number of the licensees that produced, processed and sold the marijuana. The marijuana retail licensee trade name and Wash-~~

~~ington state unified business identifier number may be in the form of a sticker placed on the label;~~

~~(b) Inventory ID number assigned by the liquor control board's traceability system. This must be the same number that appears on the transport manifest;~~

~~(c) Date manufactured;~~

~~(d) Best by date;~~

~~(e) Products meant to be eaten or swallowed, recommended serving size and the number of servings contained within the unit, including total milligrams of active tetrahydrocannabinol (THC), or Delta 9;~~

~~(f) Net weight in ounces and grams, or volume as appropriate;~~

~~(g) List of all ingredients and major food allergens as defined in the Food Allergen Labeling and Consumer Protection Act of 2004;~~

~~(h) "Caution: When eaten or swallowed, the intoxicating effects of this drug may be delayed by two or more hours.";~~

~~(i) If a marijuana extract was added to the product, disclosure of the type of extraction process and any solvent, gas, or other chemical used in the extraction process, or any other compound added to the extract;~~

~~(j) Warnings that state: "This product has intoxicating effects and may be habit forming";~~

~~(k) Statement that "This product may be unlawful outside of Washington state";~~

~~(l) The board may create a logo that must be placed on all usable marijuana and marijuana-infused products.~~

~~(16) **Sample label mock up (front and back) for a container or package containing marijuana-infused products sold at retail with required information:**~~

~~(Front of label)~~

UBI12345678900100001 Batch #12345

Processor Trade name

The Best Resins

Space Cake

Caution: When eaten or swallowed, the intoxicating effects of this drug may be delayed by two or more hours.

16.7% THC 1.5% CBD

Total active cannabinoids 18.2%

Net weight 128g (6 oz)

THIS PRODUCT MAY BE UNLAWFUL OUTSIDE WASHINGTON

~~(Back of label)~~

Manufactured at: 111 Old Hwy Rd, Maytown, WA on 00/00/00 Best by: 00/00/00

Ingredients: Flour, Butter, Canola oil, Sugar, Chocolate, Marijuana, Milk

Contains: Wheat, Milk

Serving size: 6 ounces / 10 mg of THC

This package contains 10 servings / 100 mg THC

Warning: This product has intoxicating effects and may be habit forming.

This product contains marijuana.

Marijuana extracts contained in this product were made using a CO2 extraction process

~~(17) Labels affixed to the container or package containing marijuana concentrates sold at retail must include:~~

~~(a) The business or trade name and Washington state unified business identifier number of the licensees that produced, processed and sold the marijuana concentrate. The marijuana retail licensee trade name and Washington state unified business identifier may be in the form of a sticker placed on the label;~~

~~(b) Inventory ID number assigned by the liquor control board traceability system. This must be the same number that appears on the transportation manifest;~~

~~(c) Date manufactured;~~

~~(d) Best by date;~~

~~(e) Net weight in ounces and grams, or volume as appropriate;~~

~~(f) If a marijuana extract was added to the product, disclosure of the type of extraction process and any solvent, gas, or other chemical used in the extraction process, or any other compound added to the extract;~~

~~(g) Concentration of THC (total Delta 9 and Delta 9 THC-A) and CBD;~~

~~(h) Warnings that state "This product has intoxicating effects and may be habit forming";~~

~~(i) Statement that "This product may be unlawful outside Washington state"; and~~

~~(j) The board may create a logo that must be placed on all usable marijuana and marijuana-infused products.~~)) (11) **In addition to requirements in subsection (10) of this section, labels affixed to the container or package containing usable marijuana, or packaged marijuana mix sold at retail must include:**

(a) Concentration of THC (total THC and activated THC-A) and CBD (total CBD and activated CBD-A);

(b) Date of harvest.

(12) **In addition to requirements in subsection (10) of this section, labels affixed to the container or package containing marijuana-infused products meant to be eaten or swallowed sold at retail must include:**

(a) Date manufactured;

(b) Best by date;

(c) Serving size and the number of servings contained within the unit;

(d) Total milligrams of active THC, or Delta 9 and total milligrams of active CBD;

(e) List of all ingredients and major food allergens as defined in the Food Allergen Labeling and Consumer Protection Act of 2004;

(f) "Caution: When eaten or swallowed, the intoxicating effects of this drug may be delayed by two or more hours."

(13) **In addition to requirements in subsection (10) of this section, labels affixed to the container or package containing marijuana-infused extract for inhalation, or infused marijuana mix sold at retail must include:**

(a) Date manufactured;

(b) Best by date;

(c) Concentration of THC (total Delta 9 and Delta 9 THC-A) and CBD (total CBD and activated CBD-A).

(14) **In addition to requirements in subsection (10) of this section, labels affixed to the container or package containing marijuana topicals sold at retail must include:**

(a) Date manufactured;

(b) Best by date;

(c) Total milligrams of active tetrahydrocannabinol (THC), or Delta 9 and total milligrams of active CBD.

(15) **Other cannabinoids and terpenes may be included on the label if:**

(a) The producer or processor has test results from a certified third-party lab to support the claim; and

(b) The lab results are made available to the consumer upon request.

NEW SECTION

WAC 314-55-107 Marijuana product compliance. A marijuana compliant product must meet all requirements in the department of health rules found in chapter 246-70 WAC in addition to all WSLCB requirements found in chapter 314-55 WAC.

NEW SECTION

WAC 314-55-110 What are my responsibilities as a marijuana licensee? (1) Marijuana licensees are responsible for the operation of their licensed business in compliance with the marijuana laws and rules of the WSLCB, chapters 69.50 and 69.51A RCW, 314-55 WAC, and any other applicable state laws and rules.

(2) The penalties for violations of marijuana laws or rules are in WAC 314-55-515 through 314-55-535, as now or hereafter amended. The rules also outline aggravating and mitigating circumstances that may affect what penalty is applied if a licensee or employee violates a marijuana law or rule.

(3) Licensees and their employees must conduct the business and maintain the licensed premises, surrounding area, and vehicles transporting product, in compliance with the following laws, as they now exist or may later be amended:

(a) Titles 9 and 9A RCW, the criminal code;
(b) Title 66 RCW, the liquor laws;
(c) Chapters 70.155, 82.24, and 82.26 RCW and RCW 26.28.080, the tobacco laws;
(d) Chapter 69.50 RCW, the uniform controlled substances laws; and
(e) Chapter 69.51A RCW, the medical marijuana laws.
(4) Licensees have the responsibility to control their conduct and the conduct of employees, customers, and visitors on the licensed premises at all times. Except as otherwise provided by law, licensees or employees may not:
(a) Be disorderly or apparently intoxicated by liquor, marijuana, or controlled substances on the licensed premises;
(b) Permit any disorderly person to remain on the licensed premises;
(c) Engage in or allow behavior on the licensed premises that provokes conduct which presents a threat to public safety;
(d) Engage, or permit any employee or other person to engage in, conduct on the licensed premises which is prohibited by any portion of Title 9, 9A, or 66 RCW, or chapters 69.50 and 69.51A RCW;
(e) Engage in or permit any employee or other person to engage in the consumption of any type of marijuana, usable marijuana, marijuana concentrate, or marijuana-infused product on the licensed premises.

NEW SECTION

WAC 314-55-115 What method of payment can a marijuana licensee use to purchase marijuana? A marijuana licensee must pay cash for marijuana prior to or at the time of delivery. The WSLCB will recognize the following forms of payment as cash payment for the purpose of this section.
(1) **Checks.**
(2) **Credit/debit cards,** under the following provisions:
(a) The credit or debit card transaction agreement must be voluntary on the part of both licensees, and there must be no discrimination for nonparticipation in credit or debit card transactions.
(b) A sale must be initiated by an irrevocable invoice or sale order before or at the time of delivery.
(c) Both parties must bear their respective banking costs or other costs associated with the credit or debit card service.
(d) Both parties must maintain records of transactions and have the records readily available for the WSLCB review.
(e) The credit or debit card charge must be initiated by the marijuana licensee no later than the first business day following delivery.
(3) **Electronic funds transfer (EFT),** under the following provisions:
(a) The EFT agreement must be voluntary on the part of both the licensees, and there must be no discrimination for nonparticipation in EFT.
(b) Prior to any EFT transaction, the marijuana licensee must enter into a written agreement specifying the terms and conditions for EFT as payment for marijuana.

(c) A sale must be initiated by an irrevocable invoice or sale order before or at the time of delivery.

(d) Both parties must bear their respective banking costs or other costs associated with EFT service.

(e) Both parties must maintain records of transactions and have the records readily available for the WSLCB review.

(f) The electronic funds transfer must be initiated by the marijuana licensee no later than the first business day following delivery and must be paid as promptly as is reasonably practical, and in no event later than five business days following delivery. Any attempt by a marijuana licensee to delay payment on EFT transactions for any period of time beyond the minimum as is reasonably practical will be considered an unlawful attempt to purchase products on credit.

(4) **Prepaid accounts.** Both parties must keep accurate accounting records of prepaid accounts to ensure a cash deposit is not overextended, which is considered an extension of credit.

(5) **Transactions using a money transmitter**, under the following provisions:

(a) The money transmitter must be licensed by and in good standing with the Washington state department of financial institutions.

(b) A sale must be initiated by an irrevocable invoice or sale order before or at the time of delivery.

(c) Both parties must bear their respective costs associated with the money transmitter service.

(d) Both parties must maintain records of transactions and have the records readily available for the WSLCB to review.

(e) The funds transfer through the money transmitter must be initiated by the marijuana licensee no later than the first business day following delivery and must be paid as promptly as is reasonably practical, and in no event later than five business days following delivery. Any attempt by a marijuana licensee to delay payment on money transmitter transactions for any period of time beyond the minimum as is reasonably practical will be considered an unlawful attempt to purchase products on credit.

(6) Any transaction reported as having nonsufficient funds (NSF) will be considered an extension of credit. If a transaction is reported as NSF:

(a) The purchaser must pay the full amount of the transaction to the seller by 3:00 p.m. on the first business day following receipt of the NSF report.

(b) Until the NSF transaction is paid:

(i) The marijuana licensee who received the NSF transaction will not deliver any marijuana to the purchaser; and

(ii) It is the responsibility of the purchaser to not receive additional marijuana from any other marijuana licensee.

AMENDATORY SECTION (Amending WSR 13-21-104, filed 10/21/13, effective 11/21/13)

WAC 314-55-120 Ownership changes. (1) Licensees must receive prior board approval before making any of the following ownership changes (see WAC 314-55-035 for the definition of "true party of interest"):

Type of change	Type of application	Fee
Change in the qualifying persons in a: Sole proprietorship, general partnership, limited partnership, or limited liability partnership.	New application.	Application fee and annual fee for current license privilege.
Change in the qualifying persons for a publicly or privately held corporation. The board will waive the fee for a corporate change when the proposed change consists solely of dropping an approved officer.	Application for change in corporate officer and/or stockholder.	$75
Change in the qualifying persons in a limited liability company.	Application for change of limited liability company member and/or manager.	$75
Accepting additional funds from a new or previously approved financier.	Added financier.	$75

(2) The ((~~board~~)) WSLCB may inquire into all matters in connection with any such sale of stock/units or proposed change in officers/members.

AMENDATORY SECTION (Amending WSR 13-21-104, filed 10/21/13, effective 11/21/13)

WAC 314-55-130 Change of business name. (1) If ((~~you wish~~)) a licensee wishes to change the name of ((~~your~~)) their business, ((~~you~~)) the licensee must apply for a change of trade name with the department of revenue, business license service.

(2) If ((~~you wish~~)) a licensee wishes to change ((~~your~~)) their corporation or limited liability company name, ((~~you~~)) the licensee must apply for a change of name through the secretary of state.

(3) See chapter 434-12 WAC for guidelines for trade names.

AMENDATORY SECTION (Amending WSR 15-11-107, filed 5/20/15, effective 6/20/15)

WAC 314-55-135 Discontinue marijuana sales. (1) **Notification:** ((~~You~~)) A licensee must notify the ((~~board's~~)) WSLCB's enforcement and education division in writing if ((~~you~~)) the licensee plans to stop

doing business for more than thirty days, or if ((~~you~~)) the licensee plans to permanently discontinue marijuana sales.

(2) **Discontinued business: Sale of marijuana inventory and stock after discontinuance of business.** Notwithstanding any other provision of Title 69 RCW or 314 WAC, a producer, processor or retail licensee who permanently discontinues business for any reason shall dispose of the salable inventory and remaining stock to a ((~~board~~)) WSLCB approved licensed business at fair market value. Sales below cost are prohibited. The ((~~board~~)) WSLCB shall require tax expressed as a percent of the total price of the gross sales as reported on the profit and loss statement in the last published monthly report of the ((~~board~~)) WSLCB. In the event of remaining inventory after sale, the licensee shall notify the enforcement and education division of the ((~~liquor control board~~)) WSLCB. The enforcement division will establish conditions for destruction or arrange for the removal of product.

(3) **Assumptions: Assumption of license and purchases by licensee of certain marijuana inventory and stock.** In the case of a sale of business with a ((~~licensee~~)) license, after obtaining the approval of the ((~~board~~)) WSLCB and under the supervision of a representative of the ((~~board~~)) WSLCB, the licensee may sell the entire inventory at a negotiated fair market price. Sales below cost are prohibited.

(4) **Evictions.** ((~~You~~)) A licensee must notify the ((~~board's~~)) WSLCB's enforcement and education division immediately in writing upon notice of eviction from a licensed premises. Conditions to temporarily relocate and secure inventory will be established by the ((~~board~~)) WSLCB.

(5) **Abandoned marijuana inventory or product.** In the event a licensee abandons any marijuana on the premises, the property owner or their designated representative should notify the enforcement and education division of the ((~~liquor control board~~)) WSLCB. The enforcement division will work with the property owner to arrange for the removal and/or destruction of product. Any sales or distribution of marijuana by an unlicensed person is subject to the criminal provisions of Title 69 RCW.

AMENDATORY SECTION (Amending WSR 13-21-104, filed 10/21/13, effective 11/21/13)

WAC 314-55-140 Death or incapacity of a marijuana licensee. (1) The appointed guardian, executor, administrator, receiver, trustee, or assignee must notify the ((~~board's~~)) WSLCB's licensing and regulation division in the event of the death, incapacity, receivership, bankruptcy, or assignment for benefit of creditors of any licensee.

(2) The ((~~board~~)) WSLCB may give the appointed guardian, executor, administrator, receiver, trustee, or assignee written approval to continue marijuana sales on the licensed business premises for the duration of the existing license and to renew the license when it expires.

(a) The person must be a resident of the state of Washington.

(b) A criminal background check may be required.

(3) When the matter is resolved by the court, the true party(ies) of interest must apply for a marijuana license for the business.

AMENDATORY SECTION (Amending WSR 13-21-104, filed 10/21/13, effective 11/21/13)

WAC 314-55-147 What hours may a marijuana retailer licensee conduct sales? A marijuana retailer licensee may sell usable marijuana, marijuana concentrates, marijuana-infused products, and marijuana paraphernalia between the hours of 8 a.m. and 12 a.m.

AMENDATORY SECTION (Amending WSR 13-21-104, filed 10/21/13, effective 11/21/13)

WAC 314-55-155 Advertising. (1) **Advertising by retail licensees.** The ((~~board~~)) WSLCB limits each retail licensed premises to ((~~one sign identifying the retail outlet by the licensee's business name or trade name that is affixed or hanging in the windows or on the outside of the premises that is visible to the general public from the public right of way. The size of the~~)) a maximum of two separate signs identifying the retail outlet by the licensee's business name or trade name. Both signs must be affixed to the building or permanent structure and each sign is limited to sixteen hundred square inches.

(2) **General.** All marijuana advertising and labels of ((~~useable~~)) usable marijuana, marijuana concentrates, and marijuana-infused products sold in the state of Washington ((~~may~~)) must not contain any statement, or illustration that:

(a) Is false or misleading;

(b) Promotes over consumption;

(c) Represents the use of marijuana has curative or therapeutic effects;

(d) Depicts a child or other person under legal age to consume marijuana, or includes:

(i) Objects, such as toys, characters, or cartoon characters suggesting the presence of a child, or any other depiction designed in any manner to be especially appealing to children or other persons under legal age to consume marijuana; or

(ii) Is designed in any manner that would be especially appealing to children or other persons under twenty-one years of age.

(3) No licensed marijuana producer, processor, or retailer shall place or maintain, or cause to be placed or maintained, an advertisement of marijuana, marijuana concentrates, usable marijuana, or a marijuana-infused product in any form or through any medium whatsoever:

(a) Within one thousand feet of the perimeter of a school grounds, playground, recreation center or facility, child care center, public park, library, or a game arcade admission to which it is not restricted to persons aged twenty-one years or older;

(b) On or in a public transit vehicle or public transit shelter; or

(c) On or in a publicly owned or operated property.

(4) Promotional items such as giveaways, coupons, and distribution of branded or unbranded merchandise are banned.

(5) Marijuana retail licensees holding a medical marijuana endorsement may donate product to qualifying patients or designated providers who hold a valid recognition card. Retail licensees may not advertise "free" or "donated" product.

(6) All advertising must contain the following warnings:

(a) "This product has intoxicating effects and may be habit forming.";

(b) "Marijuana can impair concentration, coordination, and judgment. Do not operate a vehicle or machinery under the influence of this drug.";

(c) "There may be health risks associated with consumption of this product."; and

(d) "For use only by adults twenty-one and older. Keep out of the reach of children."

AMENDATORY SECTION (Amending WSR 13-21-104, filed 10/21/13, effective 11/21/13)

WAC 314-55-160 Objections to marijuana license applications. (1) **How can persons, cities, counties, tribal governments, or port authorities object to the issuance of a marijuana license?** Per RCW 69.50.331, the ((~~board~~)) WSLCB will notify cities, counties, tribal governments, and port authorities of the following types of marijuana applications. In addition to these entities, any person or group may comment in writing to the ((~~board~~)) WSLCB regarding an application.

Type of application	Entities the ((~~board~~)) WSLCB will/may notify
• Applications for an annual marijuana license at a new location.	• Cities and counties in which the premises is located will be notified. Tribal governments and port authorities in which the premises is located may be notified.
• Applications to change the class of an existing annual marijuana license.	
• Changes of ownership at existing licensed premises.	• Cities and counties in which the premises is located will be notified. Tribal governments and port authorities in which the premises is located may be notified.

(2) **What will happen if a person or entity objects to a marijuana license application?** When deciding whether to issue or deny a marijuana license application, the ((~~board~~)) WSLCB will give substantial weight to input from governmental jurisdictions in which the premises is located based upon chronic illegal activity associated with the applicant's operations of the premises proposed to be licensed or the applicant's operation of any other licensed premises; and other persons or groups. Note: Per RCW 69.50.331, the ((~~board~~)) WSLCB shall not issue a new marijuana license if any of the following are within one thousand feet of the premises to be licensed: Any elementary or secon-

dary schools, playgrounds, recreation centers or facilities, child care centers, public parks, public transit centers, libraries, game arcade where admission is not restricted to persons twenty-one years of age or older.

(a) If the ((~~board~~)) WSLCB contemplates issuing a license over the objection of a governmental jurisdiction in which the premises is located, the government subdivision may request an adjudicative hearing under the provisions of the Administrative Procedure Act, chapter 34.05 RCW. If the ((~~board~~)) WSLCB, in its discretion, grants the governmental jurisdiction(s) an adjudicative hearing, the applicant will be notified and given the opportunity to present evidence at the hearing.

(b) If the ((~~board~~)) WSLCB denies a marijuana license application based on the objection from a governmental jurisdiction, the applicant(s) may either:

(i) Reapply for the license no sooner than one year from the date on the final order of denial; or

(ii) Submit a written request on a form provided by the ((~~board~~)) WSLCB for an adjudicative hearing under the provisions of the Administrative Procedure Act, chapter 34.05 RCW. The request must be received within twenty days of the date the intent to deny notification was mailed.

AMENDATORY SECTION (Amending WSR 13-21-104, filed 10/21/13, effective 11/21/13)

WAC 314-55-165 Objections to marijuana license renewals. (1) **How can local cities, counties, tribal governments, or port authorities object to the renewal of a marijuana license?**

(a) The ((~~board~~)) WSLCB will give governmental jurisdictions approximately ninety days written notice of premises that hold annual marijuana licenses in that jurisdiction that are up for renewal.

(b) Per RCW 69.50.331, if a county, city, tribal government, or port authority wants to object to the renewal of a marijuana license in its jurisdiction, it must submit a letter to the ((~~board~~)) WSLCB detailing the reason(s) for the objection and a statement of all facts on which the objections are based.

(c) The county, city, tribal government, or port authority may submit a written request to the ((~~board~~)) WSLCB for an extension for good cause shown.

(d) This letter must be received by the ((~~board~~)) WSLCB at least thirty days before the marijuana license expires. The objection must state specific reasons and facts that show issuance of the marijuana license at the proposed location or to the applicant business how it will detrimentally impact the safety, health, or welfare of the community.

(e) If the objection is received within thirty days of the expiration date or the licensee has already renewed the license, the objection will be considered as a complaint and possible license revocation may be pursued by the enforcement division.

(f) Objections from the public will be referred to the appropriate city, county, tribal government, or port authority for action under subsection (2) of this section. Upon receipt of the objection, the ((~~board~~)) WSLCB's licensing and regulation division will acknowledge

receipt of the objection(s) and forward to the appropriate city, county, tribal government, or port authority. Such jurisdiction may or may not, based on the public objection, request nonrenewal.

(2) **What will happen if a city, county, tribal government, or port authority objects to the renewal of a marijuana license?** The ((~~board~~)) WSLCB will give substantial weight to a city, county, tribal government, or port authority objection to a marijuana license renewal of a premises in its jurisdiction based upon chronic illegal activity associated with the licensee's operation of the premises. Based on the jurisdiction's input and any information in the licensing file, the ((~~board~~)) WSLCB will decide to either renew the marijuana license, or to pursue nonrenewal.

(a) **((~~Board~~)) WSLCB decides to renew the marijuana license:**	(b) **((~~Board~~)) WSLCB decides to pursue nonrenewal of the marijuana license:**
(i) The ((~~board~~)) WSLCB will notify the jurisdiction(s) in writing of its intent to renew the license, stating the reason for this decision. (ii) The jurisdiction(s) may contest the renewal and request an adjudicative hearing under the provisions of the Administrative Procedure Act (chapter 34.05 RCW) by submitting a written request on a form provided by the ((~~board~~)) WSLCB. The request must be received within twenty days of the date the intent to renew notification was mailed. If the ((~~board~~)) WSLCB, in its discretion, grants the governmental jurisdiction(s) an adjudicative hearing, the applicant will be notified and given the opportunity to present evidence at the hearing.	(i) The ((~~board~~)) WSLCB will notify the licensee in writing of its intent to not renew the license, stating the reason for this decision. (ii) The licensee may contest the nonrenewal action and request an adjudicative hearing under the provisions of the Administrative Procedure Act (chapter 34.05 RCW) by submitting a written request on a form provided by the ((~~board~~)) WSLCB. The request must be received within twenty days of the date the intent to deny notification was mailed. (iii) If the licensee requests a hearing, the governmental jurisdiction will be notified. (iv) During the hearing and any subsequent appeal process, the licensee is issued a temporary operating permit for the marijuana license until a final decision is made.

NEW SECTION

WAC 314-55-185 Does the WSLCB have the right to inspect my premises or vehicle licensed to produce, process, sell, or transport marijuana? (1) The following must be available for inspection at all times by an enforcement officer of the WSLCB:

(a) All licensed premises used in the production, processing, storage, transportation or sale of marijuana, usable marijuana, mari-

juana concentrates, marijuana-infused products, or any premises or parts of premises used or in any way connected, physically or otherwise, with the licensed business;

(b) Any vehicle assigned for the purpose of transporting marijuana, usable marijuana, marijuana concentrates, or marijuana-infused products at any licensed location, or while en route during transportation;

(c) Records as outlined in WAC 314-55-087 and 314-55-310; and

(d) Marijuana, usable marijuana, marijuana concentrates, or marijuana-infused products on the licensed premises for the purpose of analyzing samples (the licensee will be given a receipt for any product removed from the premises for this purpose).

(2) Every person being on a licensed premises or with a transporting vehicle, or having charge thereof, must admit an enforcement officer of the WSLCB demanding to enter therein in pursuance of this section in the execution of his/her duty, and must not obstruct or attempt to obstruct the entry of such officer, or refuse to allow an officer to examine the premises, vehicles, records, and products subject to this section of the licensee.

AMENDATORY SECTION (Amending WSR 14-07-116, filed 3/19/14, effective 4/19/14)

WAC 314-55-200 How will the ((~~liquor control board~~)) WSLCB identify marijuana, usable marijuana, marijuana concentrates, and marijuana-infused products during checks of licensed businesses? Officers shall identify marijuana, usable marijuana, marijuana concentrates, and marijuana-infused products during on-site inspections of licensed producers, processors, and retailers of marijuana by means of product in the traceability system, and/or by observation based on training and experience. Products that are undetermined to be marijuana, usable marijuana, and marijuana-infused products will be verified by the following:

(1) Officers may take a sample large enough for testing purposes;

(2) Field test kits may be used if available and appropriate for the type of product being verified; and

(3) Those samples not able to be tested with a field test kit may be tested through the Washington state toxicology or crime lab.

AMENDATORY SECTION (Amending WSR 15-11-107, filed 5/20/15, effective 6/20/15)

WAC 314-55-210 Will the ((~~liquor control board~~)) WSLCB seize or confiscate marijuana, marijuana concentrates, usable marijuana, and marijuana-infused products? The ((~~liquor control board~~)) WSLCB may seize ((~~or~~)), destroy, confiscate, or place an administrative hold on marijuana, usable marijuana, marijuana concentrates, and marijuana-infused products under the following circumstances:

(1) During an unannounced or announced administrative search or inspection of ((~~a~~)) licensed locations, areas of unlicensed locations used for business or commercial purposes, or vehicles involved in the

transportation of marijuana products, where any product was found to be in excess of product limitations set forth in WAC 314-55-075, 314-55-077, and 314-55-079.

(2) Any product not properly logged in inventory records or untraceable product required to be in the traceability system.

(3) Marijuana, marijuana concentrates, usable marijuana, and marijuana-infused product that are altered or not properly packaged and labeled in accordance with WAC 314-55-105.

(4) During a criminal investigation, officers shall follow seizure laws detailed in RCW 69.50.505 and any other applicable criminal codes.

(5) ((~~Liquor control board~~)) The WSLCB may destroy any marijuana, marijuana concentrate, usable marijuana, and/or marijuana-infused products in its possession that is not identifiable through the Washington marijuana traceability system or otherwise in a form that is not compliant with Washington's marijuana statutes or rules, chapters 69.50 RCW and 314-55 WAC.

(6) WSLCB officers may order an administrative hold of marijuana, usable marijuana, marijuana concentrates, and marijuana-infused products to prevent destruction of evidence, diversion or other threats to public safety, while permitting a licensee to retain its inventory pending further investigation, pursuant to the following procedure:

(a) If during an investigation or inspection of a licensee, a ((~~liquor control board~~)) WSLCB officer develops reasonable grounds to believe certain marijuana, usable marijuana, marijuana concentrates, and marijuana-infused products constitute evidence of acts in violation of the state laws or rules, or otherwise constitute a threat to public safety, the ((~~liquor control board~~)) WSLCB officer may issue a notice of administrative hold of any such marijuana, usable marijuana, marijuana concentrate, or marijuana-infused products. The notice of administrative hold shall provide a documented description of the marijuana, usable marijuana, marijuana concentrate, or marijuana-infused products to be subject to the administrative hold.

(b) The licensee shall completely and physically segregate the marijuana, usable marijuana, marijuana concentrate, and marijuana-infused products subject to the administrative hold in a limited access area of the licensed premises under investigation, where it shall be safeguarded by the licensee. Pending the outcome of the investigation and any related disciplinary proceeding, the licensee is prohibited from selling, giving away, transferring, transporting, or destroying the marijuana, usable marijuana, marijuana concentrate, and marijuana-infused products subject to the administrative hold.

(c) Nothing herein shall prevent a licensee from the continued cultivation or harvesting of the marijuana subject to the administrative hold. All marijuana, usable marijuana, marijuana concentrate, and marijuana-infused products subject to the administrative hold must be put into separate harvest batches from product not subject to the administrative hold.

(d) Following an investigation, the ((~~liquor control board~~)) WSLCB may lift the administrative hold, order the continuation of the administrative hold, or seek a final agency order for the destruction of the marijuana, usable marijuana, marijuana concentrate, and marijuana-infused products.

AMENDATORY SECTION (Amending WSR 14-07-116, filed 3/19/14, effective 4/19/14)

WAC 314-55-220 What is the process once the ((~~board~~)) WSLCB summarily orders marijuana, usable marijuana, marijuana concentrates, or marijuana-infused products of a marijuana licensee to be destroyed? (1) The ((~~board~~)) WSLCB may issue an order to summarily destroy marijuana, usable marijuana, marijuana concentrates, or marijuana-infused products after the ((~~board's~~)) WSLCB's enforcement division has completed a preliminary staff investigation of the violation and upon a determination that immediate destruction of marijuana, usable marijuana, marijuana concentrates, or marijuana-infused products is necessary for the protection or preservation of the public health, safety, or welfare.

(2) Destruction of any marijuana, usable marijuana, marijuana concentrates, or marijuana-infused products under this provision shall take effect immediately upon personal service on the licensee or employee thereof of the summary destruction order unless otherwise provided in the order.

(3) When a license has been issued a summary destruction order by the ((~~board~~)) WSLCB, an adjudicative proceeding for the associated violation or other action must be promptly instituted before an administrative law judge assigned by the office of administrative hearings. If a request for an administrative hearing is timely filed by the licensee, then a hearing shall be held within ninety days of the effective date of the summary destruction ordered by the ((~~board~~)) WSLCB.

AMENDATORY SECTION (Amending WSR 14-07-116, filed 3/19/14, effective 4/19/14)

WAC 314-55-230 What are the procedures the ((~~liquor control board~~)) WSLCB will use to destroy or donate marijuana, usable marijuana, marijuana concentrates, and marijuana-infused products to law enforcement? (1) The ((~~liquor control board~~)) WSLCB may require a marijuana licensee to destroy marijuana, usable marijuana, marijuana concentrates, and marijuana-infused products found in a licensed establishment to be in excess of product limits set forth in WAC 314-55-075, 314-55-077, and 314-55-079.

(2) Destruction of seized marijuana, usable marijuana, marijuana concentrates, marijuana-infused products, or confiscated marijuana after case adjudication, will conform with ((~~liquor control board~~)) the WSLCB evidence policies, to include the option of donating marijuana, usable marijuana, marijuana concentrates, and marijuana-infused products, set for destruction, to local and state law enforcement agencies for training purposes only.

(3) Marijuana, usable marijuana, marijuana concentrates, and marijuana-infused products set for destruction shall not reenter the traceability system or market place.

NEW SECTION

WAC 314-55-310 Transportation license. (1) A transportation license allows the licensee to physically transport or deliver marijuana, marijuana concentrates, and marijuana-infused products between licensed marijuana businesses within Washington state. The application fee for the transportation license is two hundred fifty dollars and the annual fee is one thousand dollars.

(2) Applicants for the transportation license must submit the following information:

(a) Personal/criminal history forms for all true parties of interest (see WAC 314-55-035);

The criminal history background check will consist of completion of a personal/criminal history form provided by the WSLCB and submission of fingerprints to a vendor approved by the WSLCB. The applicant will be responsible for paying all fees required by the vendor for fingerprinting. These fingerprints will be submitted to the Washington state patrol and the Federal Bureau of Investigation for comparison to their criminal records. The applicant will be responsible for paying all fees required by the Washington state patrol and the Federal Bureau of Investigation.

(b) Documents showing the right to the physical location to be licensed (purchase and sale agreement or lease in the name of the applicant);

(c) Copies of the current UTC common carrier permits. All vehicles and trailers must also be permitted by UTC as common carriers;

(d) Corporate information form or limited liability information form as applicable;

(e) Proof of insurance.

(i) Licensees shall provide insurance coverage as set out in this section. The intent of the required insurance is to protect the consumer should there be any claims, suits, actions, costs, damages or expenses arising from any negligent or intentional act or omission of the licensees. Licensees shall furnish evidence in the form of a certificate of insurance satisfactory to the WSLCB that insurance, in the following kinds and minimum amounts, has been secured. Failure to provide proof of insurance, as required, may result in license cancellation.

(ii) Commercial general liability insurance: The licensee shall at all times carry and maintain commercial general liability insurance and if necessary, commercial umbrella insurance for bodily injury and property damage arising out of licensed activities. This insurance shall cover such claims as may be caused by any act, omission, or negligence of the licensee or its officers, agents, representatives, assigns, or servants. The insurance shall also cover bodily injury, including disease, illness and death, and property damage arising out of the licensee's premises/operations, products, and personal injury. The limits of liability insurance shall not be less than one million dollars.

(iii) Insurance carrier rating: The insurance required in (e)(i) of this subsection shall be issued by an insurance company authorized to do business within the state of Washington. Insurance must be placed with a carrier that has a rating of A - Class VII or better in the most recently published edition of *Best's Reports*. If an insurer is not admitted, all insurance policies and procedures for issuing the insurance policies must comply with chapters 48.15 RCW and 284-15 WAC.

(iv) Additional insured. The state and its employees, agents, and volunteers shall be named as an additional insured on all general liability, umbrella, and excess insurance policies. All policies shall be primary over any other valid and collectable insurance.

(3) **Transport manifest.** A complete printed transport manifest on a form provided by the WSLCB containing all information required by the WSLCB must be kept with the product at all times.

(4) **Records of transportation.** Records of all transportation must be kept for a minimum of three years at the licensee's location and are subject to inspection if requested by an employee of the WSLCB or local law enforcement:

(a) Copies of transportation manifests for all deliveries;

(b) A transportation log documenting the chain of custody for each delivery to include driver(s) and vehicle(s) associated with each delivery;

(c) Bank statements and canceled checks for any accounts relating to the licensed business;

(d) Accounting and tax records related to the licensed business;

(e) Records of all financial transactions related to the licensed business, including invoices, contracts and/or agreements for services performed or received that relate to the licensed business;

(f) All employee records, to include training.

(5) **Transportation of product.** Marijuana or marijuana products that are being transported must meet the following requirements:

(a) Only the transportation licensee or an employee of the transportation licensee who is at least twenty-one years of age may transport product. All drivers must carry a valid Washington driver's license with the proper endorsements when operating a vehicle in the transportation of product. All passengers in the vehicle transporting marijuana or marijuana products must be employees of the transportation licensee who are at least twenty-one years of age;

(b) Marijuana or marijuana products must be in a sealed package or container approved by the WSLCB pursuant to WAC 314-55-105;

(c) Sealed packages or containers cannot be opened during transport;

(d) Marijuana or marijuana products must be in a locked, safe and secure storage compartment that is secured to the inside body/compartment of the vehicle transporting the marijuana or marijuana products;

(e) Any vehicle transporting marijuana or marijuana products must be delivered or returned to the shipper within forty-eight hours from the time of pickup;

(f) Live plants may be transported in a fully enclosed, windowless locked trailer, or in a secured area within the inside body/compartment of a van or box truck. A secured area is defined as an area where solid or locking metal petitions, cages, or high strength shatterproof acrylic can be used to create a secure compartment in the fully enclosed van or box truck. The secure compartment in the fully enclosed van or box truck must be free of windows. Live plants may not be transported in the bed of a pickup truck, a sports utility vehicle, or passenger car.

(6) For purposes of this chapter, any vehicle assigned for the purposes of transporting marijuana, usable marijuana, marijuana concentrates, or marijuana-infused products shall be considered an extension of the licensed premises and subject to inspection by enforcement officers of the WSLCB. Vehicles assigned for transportation may be stopped and inspected by a WSLCB enforcement officer at any licensed location, or while en route during transportation.

NEW SECTION

WAC 314-55-410 Cooperatives. (1) A cooperative may be formed by qualifying patients and/or designated providers to share responsibility for growing and processing marijuana only for the medical use of the members of the cooperative. A cooperative must meet the following criteria:

(a) All members must be at least twenty-one years of age. The designated provider of a qualifying patient under twenty-one years of age may be a member of a cooperative on the qualifying patient's behalf;

(b) All members must hold valid recognition cards;

(c) No more than four members are allowed in a cooperative;

(d) A member can only belong to one cooperative;

(e) A member may only grow plants in the cooperative and may not grow plants elsewhere;

(f) Members must participate in growing plants. A monetary contribution or donation is not considered assistance. Members must provide nonmonetary resources and assistance in order to participate;

(g) Members may grow up to the total amount of plants for which each member is authorized on their recognition cards. At the location, the qualifying patients or designated providers may possess the amount of usable marijuana that can be produced with the number of plants permitted, but no more than seventy-two ounces;

(h) Members may not sell, donate, or otherwise provide marijuana, marijuana concentrates, usable marijuana, or other marijuana-infused products to a person who is not a member of the cooperative;

(i) A cooperative may not be located within a one mile radius of a marijuana retailer;

(j) A cooperative must be located in the domicile of one of the members. Only one cooperative may be located per property tax parcel; and

(k) To obscure public view of the premises, outdoor marijuana production must be enclosed by a sight obscure wall or fence at least eight feet high.

(2) People who wish to form a cooperative must register the location with the WSLCB. The location registered is the only location where cooperative members may grow or process marijuana. To register a cooperative a registered member must:

(a) Submit a completed Marijuana Cooperative Registration Form;

(b) Submit copies of each member's recognition card;

(c) Submit a deed, lease, rental agreement, or other document establishing ownership or control to the property where the cooperative is located. If the property is leased or rented, a sworn statement of the property owner granting permission to engage in a cooperative must also be submitted and must include a telephone number and address where the owner can be contacted for verification;

(d) Submit a sketch outlining where the medical marijuana is grown.

(3) WSLCB may inspect a cooperative between the hours of 8:00 a.m. and 8:00 p.m. unless otherwise agreed upon by cooperative members.

NEW SECTION

WAC 314-55-415 What are the recordkeeping and reporting requirements for cooperatives? (1) Marijuana cooperatives must keep records that clearly reflect all activity, inventory, and conditions of the cooperative. The following records must be kept in a format prescribed by the WSLCB. All records must be maintained on the cooperative premises for a three-year period and must be made available for inspection if requested by an employee of the WSLCB, the department of health, the department of revenue, or local law enforcement.

(a) Cooperatives must maintain a plant log to track each marijuana plant from the time it enters the cooperative. At minimum, tracking must include:

(i) Unique plant identification numbers for each plant at the cooperative;

(ii) The date the plant was brought into the cooperative; and

(iii) The date the plant leaves the cooperative, including the reason, (e.g., harvested, destroyed, or member left the cooperative).

(b) Cooperatives must maintain a log to track all harvested plant material from time of harvest until all harvested material has been dispersed. At minimum, tracking must include:

(i) A unique identification number for each harvest;

(ii) The total dry weight of harvested material;

(iii) The date quantities are removed from the harvested material;

(iv) The amount removed from the harvested material;

(v) The reason quantities are removed from the harvested material (e.g., taken for use by qualifying patient, used for extraction, etc.); and

(vi) The current weight of the harvested material.

(c) Cooperatives must maintain a log to track all extracts produced from the time they are produced until all extracted material has been dispersed. At minimum, tracking must include:

(i) A unique identification for the extract batch;

(ii) The date the extract batch was created;

(iii) The total initial weight of the extract batch;

(iv) ID number of the harvest the material used to make the extract came from;

(v) The weight of marijuana plant material used to create the batch;

(vi) The date quantities are removed from the extract batch;

(vii) The quantity removed from the extract batch and reason; and

(viii) The current weight of the extract batch.

(2) Cooperatives must submit monthly activity report(s) to the WSLCB. The required monthly reports must be:

(a) On an electronic system designated by the WSLCB;

(b) Filed every month, including months with no activity;

(c) Submitted to the WSLCB on or before the twentieth day of each month, for the previous month. (For example, a report listing activity for the month of January is due by February 20th.);

(d) Filed separately for each cooperative; and

(e) All records must be maintained and available for review for a three-year period on licensed premises.

NEW SECTION

WAC 314-55-430 Qualifying patient or designated provider extraction requirements. (1) Qualifying patients or designated providers, including those participating in a cooperative, may extract or separate the resin from marijuana using only the following noncombustible methods:

(a) Heat, screens, presses, steam distillation, ice water, and other methods without employing combustible solvents or gases to create kief, hashish, or bubble hash;

(b) Dairy butter, cooking oils or fats derived from natural sources, or other home cooking substances;

(c) Food grade glycerin and propylene glycol solvent based extraction;

(d) CO_2 may be used if used in a closed loop system as referenced in WAC 314-55-104.

(2) Only food grade substances may be used in any stage of processing.

(3) Use of combustible materials including, but not limited to, butane, isobutane, propane, heptane, and ethanol is expressly forbidden.

(4) Resins extracted or separated from marijuana are for the personal use of the qualifying patient or cooperative members only.

AMENDATORY SECTION (Amending WSR 13-21-104, filed 10/21/13, effective 11/21/13)

WAC 314-55-505 What are the procedures for notifying a licensee of an alleged violation of a ((~~liquor control board~~)) WSLCB statute or regulation? (1) When an enforcement officer believes that a licensee has violated a ((~~board~~)) WSLCB statute or regulation, the officer may prepare an administrative violation notice (AVN) and mail or deliver the notice to the licensee, licensee's agent, or employee.

(2) The AVN notice will include:

(a) A complete narrative description of the violation(s) the officer is charging;

(b) The date(s) of the violation(s);

(c) A copy of the law(s) and/or regulation(s) allegedly violated;

(d) An outline of the licensee's options as outlined in WAC 314-55-510; and

(e) The recommended penalty.

(i) If the recommended penalty is the standard penalty, see WAC 314-55-520 through 314-55-535 for licensees.

(ii) For cases in which there are aggravating or mitigating circumstances, the penalty may be adjusted from the standard penalty.

AMENDATORY SECTION (Amending WSR 13-21-104, filed 10/21/13, effective 11/21/13)

WAC 314-55-506 What is the process once the ((~~board~~)) WSLCB summarily suspends a marijuana license? (1) The ((~~board~~)) WSLCB may summarily suspend any license after the ((~~board's~~)) WSLCB's enforcement division has completed a preliminary staff investigation of the violation and upon a determination that immediate cessation of the licensed activities is necessary for the protection or preservation of the public health, safety, or welfare.

(2) Suspension of any license under this provision shall take effect immediately upon personal service on the licensee or employee thereof of the summary suspension order unless otherwise provided in the order.

(3) When a license has been summarily suspended by the ((~~board~~)) WSLCB, an adjudicative proceeding for revocation or other action must be promptly instituted before an administrative law judge assigned by the office of administrative hearings. If a request for an administrative hearing is timely filed by the licensee or permit holder, then a hearing shall be held within ninety days of the effective date of the summary suspension ordered by the ((~~board~~)) WSLCB.

AMENDATORY SECTION (Amending WSR 13-21-104, filed 10/21/13, effective 11/21/13)

WAC 314-55-507 How may a licensee challenge the summary suspension of his or her marijuana license? (1) Upon summary suspension of a license by the ((~~board~~)) WSLCB pursuant to WAC 314-55-506, an affected licensee may petition the ((~~board~~)) WSLCB for a stay of suspension pursuant to RCW 34.05.467 and 34.05.550(1). A petition for a stay of suspension must be received by the ((~~board~~)) WSLCB within fifteen days of service of the summary suspension order. The petition for stay shall state the basis on which the stay is sought.

(2) A hearing shall be held before an administrative law judge within fourteen days of receipt of a timely petition for stay. The hearing shall be limited to consideration of whether a stay should be granted, or whether the terms of the suspension may be modified to allow the conduct of limited activities under current licenses or permits.

(3) Any hearing conducted pursuant to subsection (2) of this section shall be a brief adjudicative proceeding under RCW 34.05.485. The agency record for the hearing shall consist of the documentary information upon which the summary suspension was based. The licensee or permit holder shall have the burden of demonstrating by clear and convincing evidence that:

(a) The licensee is likely to prevail upon the merits at hearing;

(b) Without relief, the licensee will suffer irreparable injury. For purposes of this section, elimination of income from licensed activities shall not be deemed irreparable injury;

(c) The grant of relief will not substantially harm other parties to the proceedings; and

(d) The threat to the public health, safety, or welfare is not sufficiently serious to justify continuation of the suspension, or

that modification of the terms of the suspension will adequately protect the public interest.

(4) The initial order on stay shall be effective immediately upon service unless another date is specified in the order.

AMENDATORY SECTION (Amending WSR 13-21-104, filed 10/21/13, effective 11/21/13)

WAC 314-55-508 Review of orders on stay. (1) The licensee, or agency, may petition the ((~~board~~)) WSLCB for review of an initial order on stay. Any petition for review must be in writing and received by the ((~~board~~)) WSLCB within ten days of service of the initial order. If neither party has requested review within ten days of service, the initial order shall be deemed the final order of the ((~~board~~)) WSLCB for purposes of RCW 34.05.467.

(2) If the ((~~board~~)) WSLCB receives a timely petition for review, the ((~~board~~)) WSLCB shall consider the petition within fifteen days of service of the petition for review. Consideration on review shall be limited to the record of the hearing on stay.

(3) The order of the ((~~board~~)) WSLCB on the petition for review shall be effective upon personal service unless another date is specified in the order and is final pursuant to RCW 34.05.467. Final disposition of the petition for stay shall not affect subsequent administrative proceedings for suspension or revocation of a license.

AMENDATORY SECTION (Amending WSR 15-11-107, filed 5/20/15, effective 6/20/15)

WAC 314-55-510 What options does a licensee have once he/she receives a notice of an administrative violation? (1) **A licensee has twenty days from receipt of the notice to:**

(a) Accept the recommended penalty; or

(b) Request a settlement conference in writing; or

(c) Request an administrative hearing in writing.

A response must be submitted on a form provided by the agency.

(2) **What happens if a licensee does not respond to the administrative violation notice within twenty days?**

(a) If a licensee does not respond to the administrative violation notice within twenty days, the recommended suspension or inventory destruction penalty will go into effect.

(b) If the penalty does not include a suspension or inventory destruction, the licensee must pay a twenty-five percent late fee in addition to the recommended penalty. The recommended penalty plus the late fee must be received within thirty days of the violation notice issue date.

(3) **What are the procedures when a licensee requests a settlement conference?**

(a) If the licensee requests a settlement conference, the hearing examiner or designee will contact the licensee to discuss the violation.

(b) Both the licensee and the hearing examiner or designee will discuss the circumstances surrounding the charge, the recommended penalty, and any aggravating or mitigating factors.

(c) If a compromise is reached, the hearing examiner or designee will prepare a compromise settlement agreement. The hearing examiner or designee will forward the compromise settlement agreement, authorized by both parties, to the ((~~board~~)) WSLCB, or designee, for approval.

(i) If the ((~~board~~)) WSLCB, or designee, approves the compromise, a copy of the signed settlement agreement will be sent to the licensee and will become part of the licensing history.

(ii) If the ((~~board~~)) WSLCB, or designee, does not approve the compromise, the licensee will be notified of the decision. The licensee will be given the option to renegotiate with the hearings examiner or designee, of accepting the originally recommended penalty, or of requesting an administrative hearing on the charges.

(d) If the licensee and the hearing examiner or designee cannot reach agreement on a settlement proposal, the licensee may accept the originally recommended penalty, or the hearing examiner or designee will forward a request for an administrative hearing to the ((~~board's~~)) WSLCB's hearings coordinator.

(4) **What is the process for nonpayment of monetary penalty?**

(a) When a licensee fails to submit payment of monetary fine proceeding provisions to collect shall take effect immediately or other action such as revocation will be instituted as deemed appropriate by the ((~~board~~)) WSLCB.

(b) An attempt to advise the debtor of the existence of the debt, and twenty-five percent late fee per subsection (2)(b) of this section will be made notifying that the debt may be assigned to a collection agency for collection if the debt is not paid, and at least thirty days have elapsed from the time notice was attempted.

AMENDATORY SECTION (Amending WSR 15-11-107, filed 5/20/15, effective 6/20/15)

WAC 314-55-515 What are the penalties if a marijuana license holder violates a marijuana law or rule? (1) The purpose of WAC 314-55-515 through 314-55-540 is to outline what penalty a marijuana licensee can expect if a licensee or employee violates a ((~~liquor control board~~)) WSLCB law or rule. (WAC rules listed in the categories provide reference areas, and may not be all inclusive. Any violation not listed in WAC 314-55-515 through 314-55-540 will be assessed following penalty progression of the license type group associated with the class of license.)

(2) Penalties for violations by marijuana licensees or employees are broken down into four categories:

(a) Group One—Public safety violations, WAC 314-55-520.

(b) Group Two—Regulatory violations, WAC 314-55-525.

(c) Group Three—License violations, WAC 314-55-530.

(d) Group Four—((~~Producer~~)) Nonretail violations involving the manufacture, supply, processing, and/or distribution of marijuana by nonretail licensees and prohibited practices between nonretail licensees and retail licensees, WAC 314-55-535.

(e) Group Five—Violations involving the transportation freight of marijuana, WAC 314-55-537.

(3) For the purposes of chapter 314-55 WAC, a three-year window for violations is measured from the date one violation occurred to the date a subsequent violation occurred.

(4) For the purposes of applying penalties outlined in WAC 314-55-520 through 314-55-535, "inventory" means all marijuana plants, clones, usable marijuana, marijuana-infused products, intermediate products, and marijuana concentrates located on the licensed premises at the time of a violation. The most mature plants on the licensed premises will be selected for destruction. The destruction of other types of inventory will consist of an equitable cross section of those products.

(5) The following schedules are meant to serve as guidelines. Based on mitigating or aggravating circumstances, the ((~~liquor control board~~)) WSLCB may impose a different penalty than the standard penalties outlined in these schedules. Based on mitigating circumstances, the ((~~board~~)) WSLCB may offer a monetary option in lieu of suspension, or alternate penalty, during a settlement conference as outlined in WAC 314-55-510(3).

(a) **Mitigating circumstances**	(b) **Aggravating circumstances**
Mitigating circumstances that may result in fewer days of suspension and/or a lower monetary option may include demonstrated business policies and/or practices that reduce the risk of future violations.	Aggravating circumstances that may result in increased days of suspension, and/or increased monetary option, and/or cancellation of marijuana license may include business operations or behaviors that create an increased risk for a violation and/or intentional commission of a violation.
Examples include:	Examples include:
• Having a signed acknowledgment of the business' responsible handling and sales policies on file for each employee;	• Failing to call 911 for local law enforcement or medical assistance when requested by a customer, ((~~a liquor control board~~)) WSLCB officer, or when people have sustained injuries.
• Having an employee training plan that includes annual training on marijuana laws.	Engaging in criminal activities, including money laundering, organized crime, fraud, firearms, and diversion of marijuana.

AMENDATORY SECTION (Amending WSR 15-11-107, filed 5/20/15, effective 6/20/15)

WAC 314-55-520 Group 1 violations against public safety. Group 1 violations are considered the most serious because they present a direct threat to public safety. Based on chapter 69.50 RCW, some violations have only a monetary option. Some violations beyond the first violation do not have a monetary option upon issuance of a violation

notice. The ((~~liquor control board~~)) WSLCB may offer a monetary option in lieu of suspension days based on mitigating circumstances as outlined in WAC 314-55-515(4). Group 1 penalties imposed on a producer and/or processor license will not include license suspension. Penalties for a producer and/or processor license will be restricted to monetary fines, destruction of inventory, and/or license cancellation only.

Violation Type	1st Violation	2nd Violation in a three-year window	3rd Violation in a three-year window	4th Violation in a three-year window
((~~**Sale or service to minor:** Sale of marijuana and/or paraphernalia to a person under twenty-one years of age.~~ ~~WAC 314-55-079~~ ~~RCW 69.50.4015~~ ~~RCW 69.50.401~~ ~~RCW 69.50.406~~ ~~RCW 69.50.412~~	~~10-day suspension or $2,500 monetary option~~	~~30-day suspension~~	~~Cancellation of license~~	
~~**Allowing a minor to frequent** a restricted area.~~ ~~RCW 69.50.357~~	~~$1,000 monetary fine~~	~~$1,000 monetary fine~~	~~$1,000 monetary fine~~	~~$1,000 monetary fine~~
~~**Employee under legal age.**~~ ~~RCW 69.50.357~~ ~~RCW 69.50.331(6)~~	~~$1,000 monetary fine~~	~~$1,000 monetary fine~~	~~$1,000 monetary fine~~	~~$1,000 monetary fine~~
~~**Licensee and/or employee open and/or consuming marijuana on a retail licensed premises.**~~ ~~RCW 69.50.357~~	~~$1,000 monetary fine~~	~~$1,000 monetary fine~~	~~$1,000 monetary fine~~	~~$1,000 monetary fine~~
~~**Conduct violations: Criminal conduct:** Permitting or engaging in criminal conduct.~~	~~10-day suspension or $2,500 monetary option~~	~~30-day suspension~~	~~Cancellation of license~~	
~~Using unauthorized pesticides, soil amendments, fertilizers, other crop production aids.~~ ~~WAC 314-55-084~~ ~~WAC 314-55-087 (1)(f)~~	~~10-day suspension or $2,500 monetary option~~	~~30-day suspension~~	~~Cancellation of license~~	
~~Adulterate usable marijuana with organic or nonorganic chemical or other compound.~~ ~~WAC 314-55-105~~	~~10-day suspension or $2,500 monetary option~~	~~30-day suspension~~	~~Cancellation of license~~	
~~Using unauthorized solvents or gases in processing.~~ ~~WAC 314-55-104~~	~~10-day suspension or $2,500 monetary option~~	~~30-day suspension~~	~~Cancellation of license~~	

Violation Type	1st Violation	2nd Violation in a three-year window	3rd Violation in a three-year window	4th Violation in a three-year window
~~**Refusal** to allow an inspection and/or obstructing a law enforcement officer from performing their official duties.~~ ~~WAC 314-55-050~~ ~~WAC 314-55-077~~	~~10-day suspension or $2,500 monetary option~~	~~30-day suspension~~	~~Cancellation of license~~	
~~**Marijuana purchased from an unauthorized source.**~~ ~~RCW 69.50.360~~ ~~RCW 69.50.363~~	~~Cancellation of license~~			
~~**Marijuana sold to an unauthorized source.**~~ ~~RCW 69.50.363~~ ~~RCW 69.50.366~~ ~~RCW 69.50.401~~	~~Cancellation of license~~			
~~**Sales in excess of transaction limitations.**~~ ~~WAC 314-55-095(3)~~ ~~RCW 69.50.360~~	~~Cancellation of license~~))			
Furnishing to minor: Sale or otherwise provide marijuana and/or paraphernalia to a person under twenty-one years of age. Chapter 314-55 WAC Chapter 69.50 RCW	Retailer/transporter: 10-day suspension or $2,500 monetary option Producer/processor: $2,500 monetary fine or 25% destruction of inventory option	Retailer/transporter: 30-day suspension Producer/processor: $15,000 monetary fine and destruction of 50% of inventory	Cancellation of license	
Allowing a minor to frequent retail store. Chapter 69.50 RCW	$1,000 monetary fine	$1,000 monetary fine	$1,000 monetary fine	$1,000 monetary fine
Allowing a minor to frequent a nonretail licensed premises or occupy a transport vehicle. Chapter 314-55 WAC	$1,000 monetary fine	$1,000 monetary fine	$1,000 monetary fine	$1,000 monetary fine
Employee under legal age. Chapter 69.50 RCW	$1,000 monetary fine	$1,000 monetary fine	$1,000 monetary fine	$1,000 monetary fine
Opening and/or consuming marijuana on a retail licensed premises. Chapter 69.50 RCW	$1,000 monetary fine	$1,000 monetary fine	$1,000 monetary fine	$1,000 monetary fine

Violation Type	1st Violation	2nd Violation in a three-year window	3rd Violation in a three-year window	4th Violation in a three-year window
Conduct violations: **Criminal conduct:** Permitting or engaging in criminal conduct. **Disorderly conduct** by licensee or employee, or permitting on premises. Chapter 314-55 WAC **Licensee and/or employee** intoxicated on the licensed premises. Chapter 314-55 WAC	Retailer/transporter: 10-day suspension or $2,500 monetary option Producer/processor: $2,500 monetary fine or 25% destruction of inventory option	Retailer/transporter: 30-day suspension Producer/processor: $15,000 monetary fine and destruction of 50% of inventory	Cancellation of license	
Refusal to allow an inspection and/or obstructing a law enforcement officer from performing their official duties. Chapter 314-55 WAC	Retailer/transporter: 10-day suspension or $2,500 monetary option Producer/processor: $2,500 monetary fine or 25% destruction of inventory option	Retailer/transporter: 30-day suspension Producer/processor: $15,000 monetary fine and destruction of 50% of inventory	Cancellation of license	
Marijuana purchased from an unauthorized source. Chapter 69.50 RCW	Cancellation of license			
Marijuana sold to an unauthorized source. Chapter 69.50 RCW	Cancellation of license			
Operating an unapproved CO_2 or hydrocarbon extraction system. Chapter 314-55 WAC	Cancellation of license			
Condition of suspension violation: Failure to follow any suspension restriction while marijuana license is suspended (retailer). Chapter 314-55 WAC	Original penalty plus 10-day suspension with no monetary option	Cancellation of license		
Sales in excess of transaction limitations. Chapter 69.50 RCW Chapter 314-55 WAC	10-day suspension or $2,500 monetary option	30-day suspension	Cancellation of license	

AMENDATORY SECTION (Amending WSR 15-11-107, filed 5/20/15, effective 6/20/15)

WAC 314-55-525 Group 2 regulatory violations. Group 2 violations are violations involving general regulation and administration of retail or nonretail licenses. Group 2 penalties imposed on a producer and/or processor license will not include license suspension. Penalties for a producer and/or processor license will be restricted to monetary fines, destruction of inventory, and/or license cancellation only.

Violation Type	1st Violation	2nd Violation in a three-year window	3rd Violation in a three-year window	4th Violation in a three-year window
((~~**Hours of service:** Sales of marijuana between 12:00 a.m. and 8:00 a.m. WAC 314-55-147~~	~~5-day suspension or $500 monetary option~~	~~10-day suspension or $2,500 monetary option~~	~~30-day suspension~~	~~Cancellation of license~~
~~**Advertising:** Violations (statements/ illustrations). WAC 314-55-155(2)~~	~~5-day suspension or $500 monetary option~~	~~10-day suspension or $2,500 monetary option~~	~~30-day suspension~~	~~Cancellation of license~~
~~**Advertising violations** - Sign exceeding 1600 square inches; within 1000 feet of prohibited areas; on or in public transit vehicles, shelters, or publicly owned or operated property. RCW 69.50.357 RCW 69.50.369 WAC 314-55-155(1)~~	~~$1,000 monetary fine~~	~~$1,000 monetary fine~~	~~$1,000 monetary fine~~	~~$1,000 monetary fine~~
~~**Packaging and/or labeling violations (processor/retailer).** WAC 314-55-105~~	~~5-day suspension or $500 monetary option~~	~~10-day suspension or $2,500 monetary option~~	~~30-day suspension~~	~~Cancellation of license~~
~~**Licensee/employee failing to display required security badge.** WAC 314-55-083(1)~~	~~5-day suspension or $500 monetary option~~	~~10-day suspension or $2,500 monetary option~~	~~30-day suspension~~	~~Cancellation of license~~
~~**Failure to maintain required security alarm and surveillance systems.** WAC 314-55-083 (2) and (3)~~	~~5-day suspension or $500 monetary option~~	~~10-day suspension or $2,500 monetary option~~	~~30-day suspension~~	~~Cancellation of license~~
~~**Records:** Improper recordkeeping. WAC 314-55-087 WAC 314-55-089~~	~~5-day suspension or $500 monetary option~~	~~10-day suspension or $2,500 monetary option~~	~~30-day suspension~~	~~Cancellation of license~~
~~**Failure to submit monthly tax reports and/or payments.** WAC 314-55-089 WAC 314-55-092 RCW 69.50.535~~	~~5-day suspension or $500 monetary option~~	~~10-day suspension or $2,500 monetary option~~	~~30-day suspension~~	~~Cancellation of license~~

Violation Type	1st Violation	2nd Violation in a three-year window	3rd Violation in a three-year window	4th Violation in a three-year window
~~**Signs:** Failure to post required signs. WAC 314-55-086 RCW 69.50.331(5)~~	~~5-day suspension or $500 monetary option~~	~~10-day suspension or $2,500 monetary option~~	~~30-day suspension~~	~~Cancellation of license~~
~~**Failure to utilize and/or maintain traceability (processor or retail licensee).** WAC 314-55-083(4)~~	~~5-day suspension or $500 monetary option~~	~~10-day suspension or $2,500 monetary option~~	~~30-day suspension~~	~~Cancellation of license~~
~~**Violation of transportation requirements.** WAC 314-55-085~~	~~5-day suspension or $500 monetary option~~	~~10-day suspension or $2,500 monetary option~~	~~30-day suspension~~	~~Cancellation of license~~
~~**Exceeding maximum serving requirements for marijuana-infused products.** WAC 314-55-095(2)~~	~~5-day suspension or $500 monetary option~~	~~10-day suspension or $2,500 monetary option~~	~~30-day suspension~~	~~Cancellation of license~~
~~**Failure for a processor to meet marijuana waste disposal requirements.** WAC 314-55-097~~	~~5-day suspension or $500 monetary option~~	~~10-day suspension or $2,500 monetary option~~	~~30-day suspension~~	~~Cancellation of license~~
~~**Failure to maintain standardized scale requirements (processor).** WAC 314-55-099~~	~~5-day suspension or $500 monetary option~~	~~10-day suspension or $2,500 monetary option~~	~~30-day suspension~~	~~Cancellation of license~~
~~**Failure to follow and maintain food processing facility requirements.** WAC 314-55-077~~	~~5-day suspension or $500 monetary option~~	~~10-day suspension or $2,500 monetary option~~	~~30-day suspension~~	~~Cancellation of license~~
~~**Marijuana processor extraction requirements.** WAC 314-55-104~~	~~5-day suspension or $500 monetary option~~	~~10-day suspension or $2,500 monetary option~~	~~30-day suspension~~	~~Cancellation of license~~
~~**Retail outlet selling unauthorized products.** RCW 69.50.357 RCW 69.50.4121~~	~~$1,000 monetary fine~~	~~$1,000 monetary fine~~	~~$1,000 monetary fine~~	~~$1,000 monetary fine~~
~~**Retailer displaying products in a manner visible to the general public from a public right of way.** RCW 69.50.357~~	~~$1,000 monetary fine~~	~~$1,000 monetary fine~~	~~$1,000 monetary fine~~	~~$1,000 monetary fine~~
~~**Sale of Marijuana. Violations by retailer involving sales, delivery, inventory, and returns.** WAC 314-55-079 WAC 314-55-070 (6)~~	~~5-day suspension or $500 monetary option~~	~~10-day suspension or $2,500 monetary option~~	~~30-day suspension~~	~~Cancellation of license~~))

Violation Type	1st Violation	2nd Violation in a three-year window	3rd Violation in a three-year window	4th Violation in a three-year window
Hours of service: Sales of marijuana between 12:00 a.m. and 8:00 a.m. Chapter 314-55 WAC	5-day suspension or $1,000 monetary option	10-day suspension or $2,500 monetary option	30-day suspension	Cancellation of license
General advertising: Violations Chapter 314-55 WAC	5-day suspension or $1,000 monetary option	Retailer/transporter: 10-day suspension or $2,500 monetary option Producer/processor: $2,500 monetary fine or 25% destruction of inventory option	Retailer/transporter: 30-day suspension Producer/processor: $15,000 monetary fine and destruction of 50% of inventory	Cancellation of license
Advertising violations - Sign exceeding 1,600 square inches; within 1,000 feet of prohibited areas; on or in public transit vehicles, shelters, or publicly owned or operated property. Chapter 69.50 RCW Chapter 314-55 WAC	$1,000 monetary fine	$1,000 monetary fine	$1,000 monetary fine	$1,000 monetary fine
Engaging in conditional retail sales. Chapter 314-55 WAC Chapter 69.50 RCW	5-day suspension or $1,000 monetary option	10-day suspension or $2,500 monetary option	30-day suspension	Cancellation of license
Licensee/employee failing to display required security badge. Chapter 314-55 WAC	5-day suspension or $1,000 monetary option	Retailer/transporter: 10-day suspension or $2,500 monetary option Producer/processor: $2,500 monetary fine or 25% destruction of inventory option	Retailer/transporter: 30-day suspension Producer/processor: $15,000 monetary fine and destruction of 50% of inventory	Cancellation of license
Failure to maintain required security alarm and surveillance systems. Chapter 314-55 WAC	5-day suspension or $2,500 monetary option	Retailer/transporter: 10-day suspension and $5,000 monetary fine Producer/processor: $5,000 monetary fine and 25% destruction of inventory	Retailer/transporter: 30-day suspension Producer/processor: $15,000 monetary fine and destruction of 50% of inventory	Cancellation of license
Records: Improper recordkeeping. Chapter 314-55 WAC	5-day suspension or $1,000 monetary option	Retailer/transporter: 10-day suspension or $2,500 monetary option Producer/processor: $2,500 monetary fine or 25% destruction of inventory option	Retailer/transporter: 30-day suspension Producer/processor: $15,000 monetary fine and destruction of 50% of inventory	Cancellation of license

Violation Type	1st Violation	2nd Violation in a three-year window	3rd Violation in a three-year window	4th Violation in a three-year window
Failure to submit monthly tax reports and/or payments. Chapter 69.50 RCW Chapter 314-55 WAC	5-day suspension or $1,000 monetary option	Retailer: 10-day suspension or $2,500 monetary option Producer/processor: $2,500 monetary fine or 25% destruction of inventory option	Retailer: 30-day suspension Producer/processor: $15,000 monetary fine and destruction of 50% of inventory	Cancellation of license
Signs: Failure to post required signs. Chapter 69.50 RCW Chapter 314-55 WAC	5-day suspension or $1,000 monetary option	Retailer/transporter: 10-day suspension or $2,500 monetary option Producer/processor: $2,500 monetary fine or 25% destruction of inventory option	Retailer/transporter: 30-day suspension Producer/processor: $15,000 monetary fine and destruction of 50% of inventory	Cancellation of license
Failure to utilize and/or maintain traceability. Chapter 314-55 WAC	5-day suspension or $2,500 monetary option	Retailer: 10-day suspension and $5,000 monetary fine Producer/processor: $5,000 monetary fine and 25% destruction of inventory	Retailer: 30-day suspension Producer/processor: $15,000 monetary fine and destruction of 50% of inventory	Cancellation of license
Violation of transportation requirements. Chapter 314-55 WAC	5-day suspension or $2,500 monetary option	Retailer: 10-day suspension and $5,000 monetary fine Producer/processor: $5,000 monetary fine and 25% destruction of inventory	Retailer: 30-day suspension Producer/processor: $15,000 monetary fine and destruction of 50% of inventory	Cancellation of license
Marijuana sold below cost of acquisition, true value, or illegally given away.	5-day suspension or $1,000 monetary option	Retailer: 10-day suspension or $2,500 monetary option Producer/processor: $2,500 monetary fine or 25% destruction of inventory option	Retailer: 30 day suspension Producer/processor: $15,000 monetary fine and destruction of 50% of inventory	Cancellation of license
Retail outlet selling unauthorized products. Chapter 69.50 RCW	$1,000 monetary fine	$1,000 monetary fine	$1,000 monetary fine	$1,000 monetary fine
Retailer displaying products in a manner visible to the general public from a public right of way. Chapter 69.50 RCW	$1,000 monetary fine	$1,000 monetary fine	$1,000 monetary fine	$1,000 monetary fine
Retail sales: Unauthorized marijuana-infused products, internet sales, and accepting returns. Chapter 314-55 WAC	5-day suspension or $1,000 monetary option	10-day suspension or $2,500 monetary option	30-day suspension	Cancellation of license

AMENDATORY SECTION (Amending WSR 15-11-107, filed 5/20/15, effective 6/20/15)

WAC 314-55-530 Group 3 license violations. Group 3 violations are violations involving licensing requirements, license classification, and special restrictions. Group 3 penalties imposed on a producer and/or processor license will not include license suspension. Penalties for a producer and/or processor license will be restricted to monetary fines, destruction of inventory, and/or license cancellation only.

Violation Type	1st Violation	2nd Violation in a three-year window	3rd Violation in a three-year window	4th Violation in a three-year window
((~~**True party of interest violation.** WAC 314-55-035~~	~~Cancellation of license~~			
~~**Failure to furnish required documents.** WAC 314-55-050~~	~~Cancellation of license~~			
~~**Misrepresentation of fact.** WAC 314-55-050~~	~~Cancellation of license~~			
~~**Operating plan:** Violations of a board-approved operating plan. WAC 314-55-020~~	~~5-day suspension or $500 monetary option~~	~~10-day suspension or $1,500 monetary option~~	~~30-day suspension~~	~~Cancellation of license~~
~~**Failing to gain board approval for changes in existing ownership.** WAC 314-55-120 RCW 69.50.339~~	~~30-day suspension~~	~~Cancellation of license~~		
~~**Failure to maintain required insurance.** WAC 314-55-082~~	~~30-day suspension~~	~~Cancellation of license~~))		
True party of interest/financier violation. Chapter 314-55 WAC	Cancellation of license			
Failure to furnish required documents. Chapter 314-55 WAC	Cancellation of license			
Misuse or unauthorized use of marijuana license (operating outside of license class). Chapter 69.50 RCW Chapter 314-55 WAC	Retailer/transporter: 10-day suspension or $5,000 monetary fine Producer/processor: $5,000 monetary fine or 25% destruction of inventory option	Cancellation of license		
Misrepresentation of fact. Chapter 314-55 WAC	Cancellation of license			
Unauthorized change of business name. Chapter 314-55 WAC	5-day suspension or $500 monetary option	10-day suspension or $1,500 monetary option	30-day suspension or $5,000 monetary option	Cancellation of license

Violation Type	1st Violation	2nd Violation in a three-year window	3rd Violation in a three-year window	4th Violation in a three-year window
Operating/floor plan: Violations of a WSLCB approved operating plan. Chapter 314-55 WAC	5-day suspension or $1,000 monetary option	Retailer/transporter: 10-day suspension or $2,500 monetary option Producer/processor: $2,500 monetary fine or 25% destruction of inventory option	Retailer/transporter: 30-day suspension Producer/processor: $15,000 monetary fine and destruction of 50% of inventory	Cancellation of license
Failing to gain WSLCB approval for changes in existing ownership. Chapter 69.50 RCW Chapter 314-55 WAC	30-day suspension Producer/processor: $15,000 monetary fine and destruction of 50% of inventory	Cancellation of license		
Failure to maintain required insurance. Chapter 314-55 WAC	Retailer/transporter: 5-day suspension or $2,500 monetary fine Producer/processor: $2,500 monetary fine or 25% destruction of inventory option	Retailer/transporter: 30-day suspension or $15,000 monetary option Producer/processor: $15,000 monetary fine or 50% destruction of inventory option	Cancellation of license	

AMENDATORY SECTION (Amending WSR 15-11-107, filed 5/20/15, effective 6/20/15)

WAC 314-55-535 Group 4 marijuana producer and/or processor violations. Group 4 violations are violations involving the manufacture, supply, processing, and/or distribution of marijuana by marijuana producer and/or processor licensees and prohibited practices between a marijuana producer, processor, and transportation licensees and a marijuana retailer licensee.

Violation Type	1st Violation	2nd Violation in a three-year window	3rd Violation in a three-year window	4th Violation in a three-year window
((~~**Unauthorized sale to a retail licensee.** WAC 314-55-075 RCW 69.50.366 RCW 69.50.401~~	~~$2,500 monetary fine~~	~~$5,000 monetary fine and destruction of 25% of harvestable plants~~	~~$15,000 monetary fine and destruction of 50% of harvestable plants~~	~~Cancellation of license~~
~~**Failure to utilize and/or maintain traceability.** WAC 314-55-083(4)~~	~~$2,500 monetary fine~~	~~$5,000 monetary fine and destruction of 25% of harvestable plants~~	~~$15,000 monetary fine and destruction of 50% of harvestable plants~~	~~Cancellation of license~~
~~**Packaging and/or labeling violations (producer).** WAC 314-55-105~~	~~$2,500 monetary fine~~	~~$5,000 monetary fine and destruction of 25% of harvestable plants~~	~~$15,000 monetary fine and destruction of 50% of harvestable plants~~	~~Cancellation of license~~
~~**Unauthorized product/unapproved storage or delivery.** RCW 69.50.366 RCW 69.50.401~~	~~$2,500 monetary fine~~	~~$5,000 monetary fine and destruction of 25% of harvestable plants~~	~~$15,000 monetary fine and destruction of 50% of harvestable plants~~	~~Cancellation of license~~

Violation Type	1st Violation	2nd Violation in a three-year window	3rd Violation in a three-year window	4th Violation in a three-year window
~~**Failure for a producer to meet marijuana waste disposal requirements.** WAC 314-55-097~~	~~$2,500 monetary fine~~	~~$5,000 monetary fine and destruction of 25% of harvestable plants~~	~~$15,000 monetary fine and destruction of 50% of harvestable plants~~	~~Cancellation of license~~
~~**Records: Improper recordkeeping.** WAC 314-55-087 WAC 314-55-089~~	~~$2,500 monetary fine~~	~~$5,000 monetary fine and destruction of 25% of harvestable plants~~	~~$15,000 monetary fine and destruction of 50% of harvestable plants~~	~~Cancellation of license~~
~~**Violation of transportation requirements.** WAC 314-55-085~~	~~$2,500 monetary fine~~	~~$5,000 monetary fine and destruction of 25% of harvestable plants~~	~~$15,000 monetary fine and destruction of 50% of harvestable plants~~	~~Cancellation of license~~
~~**Failure to maintain required security alarm and surveillance systems.** WAC 314-55-083 (2) and (3)~~	~~$2,500 monetary fine~~	~~$5,000 monetary fine and destruction of 25% of harvestable plants~~	~~$15,000 monetary fine and destruction of 50% of harvestable plants~~	~~Cancellation of license~~
~~**Failure to maintain standardized scale requirements (producer).** WAC 314-55-099~~	~~$2,500 monetary fine~~	~~$5,000 monetary fine and destruction of 25% of harvestable plants~~	~~$15,000 monetary fine and destruction of 50% of harvestable plants~~	~~Cancellation of license~~
~~**Failure to submit monthly tax reports and/or payments.** WAC 314-55-089 WAC 314-55-092~~	~~$2,500 monetary fine~~	~~$5,000 monetary fine and destruction of 25% of harvestable plants~~	~~$15,000 monetary fine and destruction of 50% of harvestable plants~~	~~Cancellation of license~~
~~**Sale or service to minor:** Sale of marijuana and/or paraphernalia to a person under twenty-one years of age. WAC 314-55-079 RCW 69.50.4015 RCW 69.50.401 RCW 69.50.406 RCW 69.50.412~~	~~$2,500 monetary fine~~	~~$5,000 monetary fine and destruction of 25% of harvestable plants~~	~~$15,000 monetary fine and destruction of 50% of harvestable plants~~	~~Cancellation of license~~
~~**Conduct violations: Criminal conduct:** Permitting or engaging in criminal conduct.~~	~~$2,500 monetary fine~~	~~$5,000 monetary fine and destruction of 25% of harvestable plants~~	~~$15,000 monetary fine and destruction of 50% of harvestable plants~~	~~Cancellation of license~~
~~Using unauthorized pesticides, soil amendments, fertilizers, other crop production aids. WAC 314-55-084 WAC 314-55-087 (1)(f)~~	~~$2,500 monetary fine~~	~~$5,000 monetary fine and destruction of 25% of harvestable plants~~	~~$15,000 monetary fine and destruction of 50% of harvestable plants~~	~~Cancellation of license~~
~~Adulterate usable marijuana with organic or nonorganic chemical or other compound. WAC 314-55-105~~	~~$2,500 monetary fine~~	~~$5,000 monetary fine and destruction of 25% of harvestable plants~~	~~$15,000 monetary fine and destruction of 50% of harvestable plants~~	~~Cancellation of license~~

Violation Type	1st Violation	2nd Violation in a three-year window	3rd Violation in a three-year window	4th Violation in a three-year window
~~Using unauthorized solvents or gases in processing.~~ ~~WAC 314-55-104~~	~~$2,500 monetary fine~~	~~$5,000 monetary fine and destruction of 25% of harvestable plants~~	~~$15,000 monetary fine and destruction of 50% of harvestable plants~~	~~Cancellation of license~~
~~**Refusal** to allow an inspection and/or obstructing a law enforcement officer from performing their official duties.~~ ~~WAC 314-55-050~~ ~~WAC 314-55-077~~	~~$2,500 monetary fine~~	~~$5,000 monetary fine and destruction of 25% of harvestable plants~~	~~$15,000 monetary fine and destruction of 50% of harvestable plants~~	~~Cancellation of license~~
~~**Marijuana purchased from an unauthorized source.**~~ ~~RCW 69.50.360~~ ~~RCW 69.50.363~~	~~$2,500 monetary fine~~	~~$5,000 monetary fine and destruction of 25% of harvestable plants~~	~~$15,000 monetary fine and destruction of 50% of harvestable plants~~	~~Cancellation of license~~
~~**Marijuana sold to an unauthorized source.**~~ ~~RCW 69.50.363~~ ~~RCW 69.50.366~~ ~~RCW 69.50.401~~	~~$2,500 monetary fine~~	~~$5,000 monetary fine and destruction of 25% of harvestable plants~~	~~$15,000 monetary fine and destruction of 50% of harvestable plants~~	~~Cancellation of license~~
~~**Sales in excess of transaction limitations.**~~ ~~WAC 314-55-095(3)~~ ~~RCW 69.50.360~~	~~$2,500 monetary fine~~	~~$5,000 monetary fine and destruction of 25% of harvestable plants~~	~~$15,000 monetary fine and destruction of 50% of harvestable plants~~	~~Cancellation of license~~
~~**Advertising:** Violations (statements/ illustrations).~~ ~~WAC 314-55-155(2)~~	~~$2,500 monetary fine~~	~~$5,000 monetary fine and destruction of 25% of harvestable plants~~	~~$15,000 monetary fine and destruction of 50% of harvestable plants~~	~~Cancellation of license~~
~~**Packaging and/or labeling violations (producer/ processor).**~~ ~~WAC 314-55-105~~	~~$2,500 monetary fine~~	~~$5,000 monetary fine and destruction of 25% of harvestable plants~~	~~$15,000 monetary fine and destruction of 50% of harvestable plants~~	~~Cancellation of license~~
~~**Licensee/employee failing to display required security badge.**~~ ~~WAC 314-55-083(1)~~	~~$2,500 monetary fine~~	~~$5,000 monetary fine and destruction of 25% of harvestable plants~~	~~$15,000 monetary fine and destruction of 50% of harvestable plants~~	~~Cancellation of license~~
~~**Failure to maintain required security alarm and surveillance systems.**~~ ~~WAC 314-55-083 (2) and (3)~~	~~$2,500 monetary fine~~	~~$5,000 monetary fine and destruction of 25% of harvestable plants~~	~~$15,000 monetary fine and destruction of 50% of harvestable plants~~	~~Cancellation of license~~
~~**Records:** Improper recordkeeping.~~ ~~WAC 314-55-087~~ ~~WAC 314-55-089~~	~~$2,500 monetary fine~~	~~$5,000 monetary fine and destruction of 25% of harvestable plants~~	~~$15,000 monetary fine and destruction of 50% of harvestable plants~~	~~Cancellation of license~~
~~**Signs:** Failure to post required signs.~~ ~~WAC 314-55-086~~ ~~RCW 69.50.331(5)~~	~~$2,500 monetary fine~~	~~$5,000 monetary fine and destruction of 25% of harvestable plants~~	~~$15,000 monetary fine and destruction of 50% of harvestable plants~~	~~Cancellation of license~~

Violation Type	1st Violation	2nd Violation in a three-year window	3rd Violation in a three-year window	4th Violation in a three-year window
~~**Violation of transportation requirements.** WAC 314-55-085~~	~~$2,500 monetary fine~~	~~$5,000 monetary fine and destruction of 25% of harvestable plants~~	~~$15,000 monetary fine and destruction of 50% of harvestable plants~~	~~Cancellation of license~~
~~**Exceeding maximum serving requirements for marijuana-infused products.** WAC 314-55-095(2)~~	~~$2,500 monetary fine~~	~~$5,000 monetary fine and destruction of 25% of harvestable plants~~	~~$15,000 monetary fine and destruction of 50% of harvestable plants~~	~~Cancellation of license~~
~~**Failure to maintain standardized scale requirements (producer/ processor).** WAC 314-55-099~~	~~$2,500 monetary fine~~	~~$5,000 monetary fine and destruction of 25% of harvestable plants~~	~~$15,000 monetary fine and destruction of 50% of harvestable plants~~	~~Cancellation of license~~
~~**Marijuana processor extraction requirements.** WAC 314-55-104~~	~~$2,500 monetary fine~~	~~$5,000 monetary fine and destruction of 25% of harvestable plants~~	~~$15,000 monetary fine and destruction of 50% of harvestable plants~~	~~Cancellation of license~~
~~**Operating plan:** Violations of a board-approved operating plan. WAC 314-55-020~~	~~$2,500 monetary fine~~	~~$5,000 monetary fine and destruction of 25% of harvestable plants~~	~~$15,000 monetary fine and destruction of 50% of harvestable plants~~	~~Cancellation of license~~
~~**Failing to gain board approval for changes in existing ownership.** WAC 314-55-120 RCW 69.50.339~~	~~$2,500 monetary fine~~	~~$5,000 monetary fine and destruction of 25% of harvestable plants~~	~~$15,000 monetary fine and destruction of 50% of harvestable plants~~	~~Cancellation of license~~
~~**Failure to maintain required insurance.** WAC 314-55-082~~	~~$2,500 monetary fine~~	~~$5,000 monetary fine and destruction of 25% of harvestable plants~~	~~$15,000 monetary fine and destruction of 50% of harvestable plants~~	~~Cancellation of license~~))
Unauthorized sale to a retail licensee. Chapter 69.50 RCW Chapter 314-55 WAC	$2,500 monetary fine	$5,000 monetary fine and destruction of 25% of inventory	$15,000 monetary fine and destruction of 50% of inventory	Cancellation of license
Packaging and/or labeling violations. Chapter 314-55 WAC	$2,500 monetary fine	$5,000 monetary fine and destruction of 25% of inventory	$15,000 monetary fine and destruction of 50% of inventory	Cancellation of license
Unauthorized product/unapproved storage or delivery. Chapter 69.50 RCW	$2,500 monetary fine	$5,000 monetary fine and destruction of 25% of inventory	$15,000 monetary fine and destruction of 50% of inventory	Cancellation of license
Failure to meet marijuana waste disposal requirements. Chapter 314-55 WAC	$2,500 monetary fine	$5,000 monetary fine and destruction of 25% of inventory	$15,000 monetary fine and destruction of 50% of inventory	Cancellation of license
Sampling violations. Chapter 314-55 WAC	$2,500 monetary fine	$5,000 monetary fine and destruction of 25% of inventory	$15,000 monetary fine and destruction of 50% of inventory	Cancellation of license
Failure to follow and maintain food processing facility requirements. Chapter 314-55 WAC	$2,500 monetary fine	$5,000 monetary fine and destruction of 25% of inventory	$15,000 monetary fine and destruction of 50% of inventory	Cancellation of license

Violation Type	1st Violation	2nd Violation in a three-year window	3rd Violation in a three-year window	4th Violation in a three-year window
Unauthorized pesticides, soil amendments, fertilizers, other crop production aids. Chapter 314-55 WAC	$2,500 monetary fine	$5,000 monetary fine and destruction of 25% of inventory	$15,000 monetary fine and destruction of 50% of inventory	Cancellation of license
Adulterate usable marijuana with organic or nonorganic chemical or other compound. Chapter 314-55 WAC	$2,500 monetary fine	$5,000 monetary fine and destruction of 25% of inventory	$15,000 monetary fine and destruction of 50% of inventory	Cancellation of license
Packaging and/or labeling violations. Chapter 314-55 WAC	$2,500 monetary fine	$5,000 monetary fine and destruction of 25% of inventory	$15,000 monetary fine and destruction of 50% of inventory	Cancellation of license
Exceeding maximum serving requirements for marijuana-infused products. Chapter 314-55 WAC	$2,500 monetary fine	$5,000 monetary fine and destruction of 25% of inventory	$15,000 monetary fine and destruction of 50% of inventory	Cancellation of license
Failure to maintain standardized scale requirements. Chapter 314-55 WAC	$2,500 monetary fine	$5,000 monetary fine and destruction of 25% of inventory	$15,000 monetary fine and destruction of 50% of inventory	Cancellation of license
Marijuana processor extraction requirements. Chapter 314-55 WAC	$2,500 monetary fine	$5,000 monetary fine and destruction of 25% of inventory	$15,000 monetary fine and destruction of 50% of inventory	Cancellation of license
Selling or purchasing marijuana on credit. Chapter 314-55 WAC	Retailer: 5-day suspension or $2,500 monetary option Producer/processor: $2,500 monetary fine	Retailer: 10-day suspension or $5,000 monetary option Producer/processor: $5,000 monetary fine or destruction of 25% of inventory option	Retailer: 30-day suspension Producer/processor: $15,000 monetary fine and destruction of 50% of inventory	Cancellation of license
Payment with NSF check. Chapter 314-55 WAC	Retailer: 5-day suspension or $500 monetary option Producer/processor: $500 monetary fine	Retailer: 5-day suspension or $1,500 monetary option Producer/processor: $1,500 monetary fine or destruction of 25% of inventory option	Retailer: 10-day suspension or $3,000 monetary option Producer/processor: $3,000 monetary fine or destruction of 50% of inventory option	Cancellation of license
Engaging in nonretail conditional sales or prohibited practices. Chapter 314-55 WAC	Retailer/transporter: 5-day suspension or $2,500 monetary option Producer/processor: $2,500 monetary fine	Retailer/transporter: 10-day suspension and $5,000 monetary option Producer/processor: $5,000 monetary fine and destruction of 25% of inventory	Retailer/transporter: 30-day suspension Producer/processor: $15,000 monetary fine and destruction of 50% of inventory	Cancellation of license

NEW SECTION

WAC 314-55-537 Group 5 license violations. Group 5 violations are violations involving marijuana transportation licensees.

Violation Type	1st Violation	2nd Violation in a three-year window	3rd Violation in a three-year window	4th Violation in a three-year window
Transportation of marijuana in an unauthorized vehicle. Chapter 314-55 WAC	5-day suspension or $2,500 monetary option	30-day suspension	Cancellation of license	
Exceeding maximum delivery time frame. Chapter 314-55 WAC	5-day suspension or $2,500 monetary option	30-day suspension	Cancellation of license	
Transportation or storage of marijuana from an unlicensed source and/or diversion of product. Chapter 69.50 RCW	Cancellation of license			
Pickup, unload, or delivery at an unauthorized location. Chapter 314-55 WAC	30-day suspension	Cancellation of license		
Transportation of marijuana outside of Washington state boundaries. Chapter 314-55 WAC	Cancellation of license			
Load exceeding maximum delivery amount. Chapter 314-55 WAC	5-day suspension or $2,500 monetary option	30-day suspension	Cancellation of license	
Transportation of marijuana without a valid manifest. Chapter 314-55 WAC	5-day suspension or $2,500 monetary option	30-day suspension	Cancellation of license	
Driver transporting without a valid driver's license. Chapter 314-55 WAC	5-day suspension or $2,500 monetary option	30-day suspension	Cancellation of license	
Unauthorized driver or passenger. Chapter 314-55 WAC	5-day suspension or $2,500 monetary option	10-day suspension or $2,500 monetary option	30-day suspension	Cancellation of license
Criminal violation of motor vehicle laws. Title 46 RCW Chapter 314-55 WAC	10-day suspension or $2,500 monetary option	30-day suspension	Cancellation of license	

AMENDATORY SECTION (Amending WSR 13-21-104, filed 10/21/13, effective 11/21/13)

WAC 314-55-540 Information about marijuana license suspensions. (1) On the date a marijuana license suspension goes into effect, a ((~~liquor control~~)) WSLCB enforcement officer will post a suspension notice in a conspicuous place on or about the licensed premises. This notice will state that the license has been suspended by order of the ((~~liquor control board~~)) WSLCB due to a violation of a ((~~board~~)) WSLCB law or rule.

(2) During the period of marijuana license suspension, the licensee and employees:

(a) Are required to maintain compliance with all applicable marijuana laws and rules;

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

(c) May not place or permit the placement of any statement on the licensed premises indicating that the premises have been closed for any reason other than as stated in the suspension notice;

(d) May not advertise by any means that the licensed premises is closed for any reason other than as stated in the ((~~liquor control board's~~)) WSLCB's suspension notice.

(3) During the period of marijuana license suspension:

(a) A marijuana ((~~retailer or marijuana processor~~)) licensee may not operate his/her business ((~~during the dates and times of suspension~~)).

(b) There is no sale, delivery, service, destruction, removal, or receipt of marijuana ((~~during a license suspension.~~

~~(c) A producer of marijuana may do whatever is necessary as a part of the producing process to keep current stock that is on hand at the time of the suspension from spoiling or becoming unsalable during a suspension, provided it does not include processing the product. The producer may not receive any agricultural products used in the production of marijuana during the period of suspension~~)).