

**Notice of Permanent Rules for Recreational Marijuana Rules in Chapter 314-55 WAC**

**This explanatory statement concerns the** **Washington State Liquor Control Board’s adoption of rules in Chapter 314-55 WAC regarding recreational marijuana.**

The Administrative Procedure Act (RCW 34.05.325(6)) requires agencies to complete a concise explanatory statement before filing adopted rules with the Office of the Code Reviser. This statement must be provided to anyone who gave comment about the proposed rule making.

Once persons who gave comment during this rule making have had a chance to receive this document, the Liquor Control Board will file the amended rules with the Office of the Code Reviser. These rule changes will become effective 31 days after filing (approximately June 20, 2015).

The Liquor Control Board appreciates your involvement in this rule making process. If you have any questions, please contact Karen McCall, Rules Coordinator, at (360) 664-1631 or e-mail at rules@liq.wa.gov.

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**What are the agency’s reasons for adopting this rule?**

This is a new industry in Washington State. Revisions are needed to current rules and new rules are needed to provide clarity for marijuana licensees and marijuana license applicants.

**Summary of all public comments received on this rule proposal.**

**Comments received on the proposed rules (filed with the Code Reviser’s Office on October 15, 2014 as WSR 14-21-103) posted on the Liquor Control Board’s website and emailed to stakeholders on October 15, 2014:**

**Stakeholder comments: WAC 314-55-104 Marijuana processor license extraction requirements.** Disagree with the requirement that certification is required for closed-loop extraction systems. Also disagree with the change from 900 pounds per square inch to 600 pounds per square inch. Support the modification lowering the minimum pressure rating for CO2 system vessels from 900 pi to 600 psi.

**LCB response:** This is a public safety issue. The Liquor Control Board needs to ensure these systems are commercially manufactured and built to codes of recognized and generally accepted good engineering practices. Food grade components can’t exceed 600 p0unds per square inch.

**Stakeholder comments: WAC 314-55-010 Definitions.** The definition of “employee” needs clarification.

The definition of “selling price” should not include delivery charges.

**LCB response:** The definition of “employee” is broad to cover the many types of employees a licensee may employ such as temporary employees, seasonal employees, part-time employees, and contract employees. The definition does not include a person providing plumbing or electrical services.

The definition of selling price may be affected if HB 2136 passes the legislature. If the bill doesn’t pass the board may look at revisions to this definition.

**Stakeholder comments: WAC 314-55-075** What is a marijuana producer license and what are the requirements and fees related to a marijuana producer license? Disagree with the increase in plant canopy.

**LCB response:** The two million square feet of plant canopy was required to open the market. It was always meant to increase the plant canopy as the industry was established.

**Stakeholder comments: WAC 314-55-077 What is a marijuana processor license and what are the requirements and fees related to a marijuana processors license?**

* Disagree with the prohibition on “gummy candies”
* Disagree with the requirement that single servings be individually packaged in childproof packaging inside the outer package. Instead, a recloseable child resistant container provided with the product for use after he package is opened should be allowed.
* Brightly colored products restriction is too broad;
* LCB should allow vinegars and oils infused with marijuana concentrates;
* Processor to processor sale language is too narrow;
* I -502 should be driven to a “bud” market only – no edibles;
* Support requirements on packaging of marijuana infused edibles;
* Support the restriction on products especially appealing to children;
* Support requiring edibles to be homogenized;
* Support prohibiting perishable items and infused dairy butter.

**LCB response:** One of the board’s highest public safety priorities is to keep marijuana products out of the hands of youth. Gummy candies, regardless of the color or shape, are especially appealing to children. Brightly colored products are especially appealing to children and are easily identifiable. It is the responsibility of the board to ensure that all marijuana infused edibles are packaged in such a manner when they leave the retail store that children cannot gain access to the package. The Washington State Department of Agriculture (WSDA) approves all recipes for marijuana infused edibles. WSDA requested the language be included in the rule. It is up to the WSDA to approve this type of recipe. The language for processor to processor sales will be revised to mirror the law. RCW 69.50.325 allows marijuana retailers to sell marijuana-infused edibles.

**Stakeholder comments: WAC 314-55-083 What are the security requirements for a marijuana licensee?** Suggest adding language restricting retail customers from designated controlled areas. Badges with badge numbers for visitors are not unnecessary and serve no real use or purpose.

**LCB response:** Retail licensees can post signs to inform customers of restricted designated areas. Badges with badge numbers are necessary to easily identify persons on the licensed premises who are not employees.

**Stakeholder comments: WAC 314-55-105 Packaging and labeling requirements**.

* Labels should contain information to let the customer know the product contains marijuana;
* Instructions for use, warning for use, and instructions for appropriate storage and an expiration date should be included on the labels.
* The retailers name and UBI number should not be required on the label.

**LCB response:** WAC 314-55-077 requires all marijuana infused edibles contain the statement “This product contains marijuana”.

* WAC 314-55-105 currently requires the following information on the label of all marijuana infused edibles:
* Serving size and amount of THC per serving;
* Date manufactured and best by date;
* Three warnings: “When eaten or swallowed the intoxicating effects of this of this drug may be delayed by two or more hours”; “This product has intoxicating effects and may be habit forming”; and “This product may be unlawful outside of Washington state”.
* Products that require refrigeration or heat are prohibited.
* RCW 69.50.345 (7)(a) requires the retailer name and UBI number on all labels.

**Stakeholder comments: WAC 314-55-102 Quality Assurance Testing**. Disagree with the proposed rule requiring residual solvent testing, removing the words “meant for inhalation” on concentrates requiring quality assurance testing, quality assurance testing for food grade alcohol extractions for infused edible products.

**LCB response:** Revisions were made to the quality assurance testing requirements in the supplemental proposed rules that address these issues.

**Stakeholder comments:** Would like to see marijuana export allowed.

**LCB response:** The export of marijuana is prohibited in law.

**Stakeholder comments:** Allow licensees that hold concealed weapons permit to carry firearms in their place of business and when transporting product.

**LCB response:** Washington State law RCW 9.41.300 prohibits firearms in any establishments classified by the Liquor Control Board as off-limits to persons under 21 years of age. All marijuana businesses are off-limits to persons under 21 years of age.

**Stakeholder comments:** Require mandatory distances between any marijuana establishments (1 mile) to avoid over concentration in any one neighborhood or community; require mandatory minimum distances from churches or places of worship; limit signage.

**LCB response:** RCW 69.50.331 lists the only prohibitions on the location of marijuana licenses. Local jurisdictions can pass ordinances to prevent marijuana licenses in certain areas or the distance between marijuana businesses.

**Comments received at the Public Hearing held December 3, 2014, at 3000 Pacific Ave SE, Olympia, WA 98504:**

**Stakeholder comments**: Disagree with the new packaging requirements for marijuana infused edibles. There should be more options. Current licensees should be given a grace period to bring their packages and labels into compliance with the rules.

**LCB response:** One of the board’s highest public safety priorities is to keep marijuana products out of the hands of youth. It is the responsibility of the board to ensure that all marijuana infused edibles are packaged in such a manner when they leave the retail store that children cannot gain access to the package. All current licensees were given 60 days to bring their products, packaging, and labeling into compliance when the emergency rules were adopted.

**Stakeholder comments:** The definition for “employee” is too broad. The definition of selling price should allow for the deduction of transportation and delivery fees.

**LCB response:** The definition of “employee” is broad to cover the many types of employees a licensee may employ such as temporary employees, seasonal employees, part-time employees, and contract employees. The definition does not include a person providing plumbing or electrical services.

The definition of selling price may be affected if HB 2136 passes the. If the bill doesn’t pass the board may look at revisions to this definition.

**Stakeholder comments:** The proposed rule (and emergency rule) for marijuana infused liquid edibles is too broad.

**LCB response:** The proposed rule (and emergency rule) for marijuana infused liquid edibles requires a measuring device be included in the package with the product. Hash marks on the side of the bottle do not meet this requirement. Including a measuring cup or spoon to measure each serving or including a dropper in the package meets the requirements.

**Stakeholder comments:** Quality assurance testing for extracts is not necessary.

**LCB response:** Revisions were made to the quality assurance testing requirements in the supplemental proposed rules that address these issues.

**Stakeholder comments:** Why must all of ethanol be removed from extracts?

**LCB response:** This revision was based on comments LCB received in the past. Given the new comments and information we have received this rule will be revised in a future rulemaking.

**Comments received on the supplemental proposed rules (filed with the Code Reviser’s Office on March 25, 2015, as WSR 15-08-035) posted on the Liquor Control Board’s website and emailed to stakeholders on March 25, 2015:**

**Stakeholder comments: WAC 314-55-010 Definitions.** The definition of “employee” needs clarification.

The definition of “selling price” should not include delivery charges.

The definition of “paraphernalia” should not include containers that are necessary and mandated to comply with the packaging rule in WAC 314-55-105.

“Consultants” should be required to have the same background checks as licensees.

Add language to “public park” that states parklets are not public parks.

Add language “recreation center” that states they must provide daily/regularly scheduled youth-based activities and events such as sports and education.

**LCB response:** The definition of “employee” is broad to cover the many types of employees a licensee may employ such as temporary employees, seasonal employees, part-time employees, and contract employees. The definition does not include a person providing plumbing or electrical services.

The definition of selling price may be affected if HB 2136 passes the. If the bill doesn’t pass the board mayl look at revisions to this definition.

RCW 69.50.357 allows marijuana retail licensees to sell paraphernalia intended for the storage or use of marijuana concentrates, useable marijuana, or marijuana-infused products.

The definition of “consultant” states if the consultant receives a percentage of the profits or exercises control over the business they will be treated as a true party of interest. A true party of interest is required to have a background check.

At this time LCB is not revising the definition of “public park” or “recreation center”.

**Stakeholder comments: WAC 314-55-075** **What is a marijuana producer license and what are the requirements and fees related to a marijuana producer license?** Disagree with the increase in plant canopy.

How will the local jurisdictions be notified of increases in plant canopy?

Support the increase in plant canopy.

**LCB response:** The two million square feet of plant canopy was required to open the market. It was always meant to increase the plant canopy as the industry was established.

**Stakeholder Comments: WAC 314-55-105 Labeling and packaging.** The example for label requirements is confusing. Nutritional information needs to be included on the label.

Disagree with removing the requirement to have THCA concentration on the label.

Support the labeling requirement revisions.

Disagree with requirement that the inventory ID number must be assigned by the board’s traceability system.

Require processors to add the warnings listed as being required in “accompanying material” on the actual label of the products.

The sample labels do not include the ID number, but rather show a lot number and batch number. They also don’t show the retailer name and UBI number.

**LCB response:** RCW 69.50.345 (7) lists the label requirements for marijuana products. The law does not require nutritional information on the label. The revision to the rule only removes the THCA concentration for useable marijuana. It is still required for all marijuana-infused edibles and concentrates.

This is not a change but a clarification. The intent was always that the lot or batch number on the product be the inventory ID number. There has been much confusion surrounding this and retailers have been having a hard time keeping their inventory in order due to mislabeled product.

Processors are required to provide accompanying material with all products sold to retailers that include specific warnings and pesticides. Many packages are small with no space for the required information in accompanying materials.

LCB will be revising the mock labels in the next rulemaking to remove the batch number and lot number and add the inventory ID number. The retailer name and UBI can be added as a sticker and doesn’t need to be preprinted on the label.

**Stakeholder comments:** There is no reason for cannabis to be the most regulated industry in the world. The state of Washington needs to back off of the rules and let the industry run like any other industry.

**LCB response:** The board was tasked with creating a tight regulatory system for marijuana, similar to alcohol in Washington State. Unlike alcohol and other industries, marijuana is still illegal federally and tight regulations are required.

**Stakeholder comments: WAC 314-55-083 What are the security requirements for a marijuana licensee?** Why does camera footage have to be stored on the recording device for 45 days?

The language for surveillance systems refers to “clear and certain identification of any person and activities”. The language is too broad.

**LCB response:** The 45 day requirement is to ensure investigative follow-up.

The surveillance system is required to record all activities and persons in controlled areas of the licensed premises at all times.

**Stakeholder comments: WAC 314-55-525 Violations.** The violation involving inventory is too broad. No retail business has a perfect record of inventory.

**LCB response:** The traceability system creates a perfect record of inventory if the licensee enters the appropriate information as required in WAC 314-55-083 (4).

**Stakeholder comments: WAC 314-55-104 Marijuana processor license extraction requirements.** Support the revisions requiring certification from a licensed engineer for professional grade closed loop extraction systems.

**Stakeholder comments: WAC 314-55-017 Conditional sales prohibited.** Disagree with this rule. This rule steps way over the line attempting to control every aspect of the retail business when the medical side goes completely unmonitored.

Disagree with the new rule if it prohibits legitimate, commercially-reasonable typing of one marijuana product to another.

**LCB response:** LCB investigations found many retail licensees were selling marijuana product below their acquisition cost to avoid paying higher marijuana excise taxes if the customer would purchase a non-marijuana product at an increased cost. Example: The gram of marijuana is $2 if you purchase a $20 lighter with it. The gram of marijuana purchased separately would cost $25. The rule requires the gram of marijuana to be the same price if it is purchased in conjunction with the lighter or separately.

The new rule does not place a prohibition on marijuana products. The prohibition for processors is from requiring a retailer to purchase other products and/or services (lighters, promotional items, bags, etc.) as a condition to purchase a marijuana product.

**WAC 314-55-102 Quality assurance testing.** Lab tests on flowers at the processor stage is unnecessary.

**LCB response:** Marijuana flower only requires testing at the producer level.

**Stakeholder comments: WAC 314-55-020 Marijuana license application process and qualifications.** The board should further revise this rule to include language that the board will not issue a marijuana license until the local jurisdiction verifies compliance with all local laws and local permits.

The rule should include language that requires applicants to provide a copy of their floor plan and/or site plan to the appropriate local building and fire departments for permitting review.

**LCB response:** The board is required in RCW 69.50.331 to notify local jurisdictions of all marijuana applications. The board is only required to ensure marijuana applicants meet state laws and rules prior to licensing. Local jurisdictions are responsible for obtaining information they need from the applicant for local permits and licenses.

**Stakeholder comments: WAC 314-55-077** **What is a marijuana processor license and what are the requirements and fees related to a marijuana processors license?**  Subsection (12) is unclear if more than one processor can be licensed at the same location or if only one processor license can be issued per the board’s interim policy.

**LCB response:** Board Interim Policy 02-2014 addresses marijuana producer licenses, not marijuana processor licenses. Any entity or principals within an entity are limited to three marijuana processors licenses. There is no limit on the number of marijuana processor licenses that can be issued at a specific location as long as each entity has their own area and meets the requirements of the license.

**Stakeholder comments:** The definition of “consultant” will prohibit me from getting free occasional help in my small business from extended family members or neighbors unless they are approved by the LCB as “true parties of interest”.

 **LCB response:** Persons are only considered “true parties of interest” if they exercise control over your business or receive a percentage of the profits from your business. If not they would not be considered a “true party of interest”.

**Stakeholder comments:** The rules should require all processors who deliver product to retailers to include a bar coded ID number on the label affixed to the product so it can be scanned into the retail store when they receive the product.

**LCB response:** The revisions to WAC 314-55-105 require all marijuana products have an inventory ID number assigned by the board’s traceability system included on the label. This must be the same number that appears on the transport manifest.

**Stakeholder comments:** **WAC 314-55-083 (6) Samples.** The amount of samples a processor is allowed to provide a retailer per month should be increased. Samples should not be required to be listed on a transport manifest.

**LCB response:** At this time the board will not be increasing the amount of samples a processor can provide to a retailer. Samples are required to be listed on a transport manifest to track the product in the traceability system and to provide an inventory of all products being transported if the vehicle is stopped by a marijuana enforcement officer or law enforcement.

**Stakeholder comments:** **WAC 314-55-085 (6).** Support allowing stop and inspection of delivery vehicles but persons or personal belongings should not be subject to search.

**LCB response:** A stop and inspection of a delivery vehicle will involve the transport manifest and what is in the vehicle. All products in the vehicle should be listed on the transport manifest.

**Stakeholder comments:** Producer and processor licensees should be allowed to carry firearms in their place of business and when transporting product.

**LCB response:** Washington State law RCW 9.41.300 prohibits firearms in any establishments classified by the Liquor Control Board as off-limits to persons under 21 years of age. All marijuana businesses are off-limits to persons under 21 years of age.

**Stakeholder comments:** Why must all of ethanol be removed from extracts?

**LCB response:** This revision was based on comments LCB received in the past. Given the new comments and information we have received this rule will be revised in a future rulemaking.

**Stakeholder comments: WAC 314-55-085 (5)(f).** Strongly object to additional security storage within a secure vehicle.

**LCB response:** The requirement for a van or boxed truck to have a secure area to place marijuana product when transporting is the same requirement as any other vehicle. This is a public safety issue.

**Stakeholder comments: WAC 314-55-077 (14).** Producers should be allowed to include samples for destruction in a lot to be processed using a solvent.

Language should be added making the processor responsible for picking up returned product instead of it being the retailer’s responsibility to return product to the processor.

**LCB response:** Retailers purchase product from a processor so the processor is responsible for accepting the return of products and sample jars for destruction.

It is the retailer’s responsibility to return products to the processor.

**Stakeholder comments: WAC 314-55-077 What is a marijuana processor license and what are the requirements and fees related to a marijuana processors license?**

* Disagree with the prohibition on “gummy candies”
* Disagree with the requirement that single servings be individually packaged in childproof packaging inside the outer package. Instead, a recloseable child resistant container provided with the product for use after he package is opened should be allowed.
* Brightly colored products restriction is too broad;
* LCB should allow vinegars and oils infused with marijuana concentrates;
* Processor to processor sale language is too narrow;
* I -502 should be driven to a “bud” market only – no edibles;
* The language “The liquor control board may designate other food items that may not be infused with marijuana” is too broad. Items should be listed.
* Support requirements on packaging of marijuana infused edibles;
* Support the restriction on products especially appealing to children;
* Support requiring edibles to be homogenized;
* Support prohibiting perishable items and infused dairy butter.

**LCB response:** One of the board’s highest public safety priorities is to keep marijuana products out of the hands of youth. Gummy candies, regardless of the color or shape, are especially appealing to children. Brightly colored products are especially appealing to children and are easily identifiable. It is the responsibility of the board to ensure that all marijuana infused edibles are packaged in such a manner when they leave the retail store that children cannot gain access to the package. The Washington State Department of Agriculture (WSDA) approves all recipes for marijuana infused edibles. WSDA requested the language be included in the rule. It is up to the WSDA to approve this type of recipe. The language for processor to processor sales will be revised to mirror the law. RCW 69.50.325 allows marijuana retailers to sell marijuana-infused edibles.

The language “The liquor control board may designate other food items that may not be infused with marijuana” is intended to be broad. Rulemaking takes time and if unacceptable products are submitted that approval the board would not have time to adopt rules to address the products. Revisions to the rule will be made as additional unacceptable products are submitted.

**Stakeholder comments: WAC 314-55-095 Marijuana servings.** The language “whichever is less” was added to this rule. It is confusing and would seem to discourage companies from offering lower serving sized products. Suggest removing the language “whichever is less”.

**LCB response:** The intention of the added language was not to discourage lower serving sized products, it was the opposite. LCB has approved products that are 5 mg of THC per serving and wanted to clarify that lower amounts of THC.

**Stakeholder comments:** **WAC 314-55-079** **What is a marijuana retailer license and what are the requirements and fees related to a marijuana retailer license?** Marijuana retail licensees should be able to accept returns of any product if it is returned with its original packaging.

What is “current” acquisition cost?

**LCB response:** RCW 69.50.357 prohibits any licensed marijuana retailer or employee of a retail outlet from opening or consuming, or allowing to be opened or consumed, any marijuana concentrates, useable marijuana, or marijuana-infused product on the outlet premises.

“Current” acquisition cost is the cost you are paying for product at this time. You may have originally purchased product for $8 a gram. The price you are currently paying is $4 a gram. If you still have product that you purchased for $8 a gram you can sell it for the same price you are selling the $4 a gram product.

**Stakeholder comments: WAC 314-55-102 Quality assurance testin**g. Disagree with potency and micro testing on intermediate products. The product will be tested when it is an end product. Why has micro testing been removed from being a requirement for end products?

Will the traceability system be updated to meet the new rule requirements for testing?

**LCB response:** LCB is requiring micro testing on all intermediate products. The only product that can go to market without going through the intermediate state is useable marijuana (which has already been tested at the lot stage and has not undergone any change). Only end products consisting of only one intermediate product that has not be changed in any way is not subject to potency analysis.

Yes, the traceability system will be updated to align with the new rules.

**Stakeholder comments: WAC 314-55 -018 Prohibited practices.** Disagree with this rule. This is a new industry and payment terms are common and accepted business practice.

**LCB response:** Payment terms are an extension of credit and are prohibited. Credit is considered money’s worth. Payment must be collected at the time of delivery of product. Allowing credit could create a processor having an undue influence on the retailer if payment is not made by the retailer.

**Stakeholder comments: WAC 314-55-077 What is a marijuana processor license and what are the requirements and fees related to a marijuana processors license?**  The board should require all marijuana products, not just marijuana infused edibles, to go through an approval process for product, packaging and labeling. There are labels in the market place for useable marijuana that have cartoon characters, and flavored products that can be especially to children.

The prohibition on certain products should be based on product characteristics and not on a marijuana processor’s intent or motivation.

All fruit flavored marijuana products should be prohibited as they are especially appealing to children.

**LCB response:** At this time the board has decided not to require all marijuana products to go through an approval process. LCB enforcement officers have found a few labels that are not compliant and the processor was required to change the label.

The rule language was amended to read “Marijuana infused products that are especially appealing to children are prohibited.”

At this time the board has decided not to prohibit fruit flavored products. There is a prohibition on any brightly colored products.

**Comments received at the Public Hearing held May 6, 2015, at 3000 Pacific Ave SE, Olympia, WA 98504:**

**Stakeholder comments: WAC 314-55-077 What is a marijuana processor license and what are the requirements and fees related to a marijuana processors license?**  Marijuana infused solid edibles should not be required to be individually packaged in childproof packaging if there is more than one serving. It isn’t fair that marijuana infused liquids with more than one serving are not required to be packaged individually.

**LCB response:** Marijuana infused liquids containing more than one serving are required to include a measuring device in the package.

**Stakeholder comments: WAC 314-55-077 What is a marijuana processor license and what are the requirements and fees related to a marijuana processors license?**

* Disagree with the prohibition on “gummy candies”. There should be a definition for “gummy candies”.
* Disagree with the requirement that single servings be individually packaged in childproof packaging inside the outer package. Instead, a recloseable child resistant container provided with the product for use after he package is opened should be allowed.
* Brightly colored products restriction is too broad;
* “Measuring device” should be defined

**LCB response:** One of the board’s highest public safety priorities is to keep marijuana products out of the hands of youth. Gummy candies, regardless of the color or shape, are especially appealing to children. Brightly colored products are especially appealing to children and are easily identifiable. It is the responsibility of the board to ensure that all marijuana infused edibles are packaged in such a manner when they leave the retail store that children cannot gain access to the package. The board may create a definition for “measuring device” in the next rulemaking.

**Stakeholder comments:** The board needs to listen to the stakeholders and consider their comments. Comments were submitted to the board at the December 3, 2014, public hearing. The changes that were submitted were not made in the supplemental rules.

**LCB response:** The board does listen to and consider all comments from stakeholders on pending rules. Sometimes rules are changed due to comments received and other times they are not. Considering the comments does not mean the board will change the rules to reflect the requested change.

**Stakeholder comments: WAC 314-55-102 Quality assurance testing.** Microbial test should be required.

**LCB response:** Microbial testing is required on all intermediate products and useable marijuana.

**Stakeholder comments:** **WAC 314-55-075** **What is a marijuana producer license and what are the requirements and fees related to a marijuana producer license?** Disagree with the increase in plant canopy.

Support the increase in plant canopy.

**LCB response:** The two million square feet of plant canopy was required to open the market. It was always meant to increase the plant canopy as the industry was established.

**Stakeholder comments: WAC 314-55-077 What is a marijuana processor license and what are the requirements and fees related to a marijuana processors license?**

* Disagree with the prohibition on “gummy candies”
* Disagree with the requirement that single servings be individually packaged in childproof packaging inside the outer package. Instead, a recloseable child resistant container provided with the product for use after he package is opened should be allowed.

**Stakeholder comments: WAC 314-55-095 Marijuana servings and transaction limitations.** Language in subsection (2) “whichever is less” needs to be removed. It is confusing.

**LCB response:** This language will be removed in the next rulemaking.

**Stakeholder comments: WAC 314-55-017 Conditional sales prohibited.** The board should not prohibit “tie-in” sales.

**LCB response:** Requiring a customer to purchase one product in order to receive a lower price on another product is not allowed.

**Stakeholder comments: WAC 314-55-018 Prohibited practices.** The board should allow exclusivity.

**LCB response:** Exclusivity can cause undue influence between the processor and retailer. Undue influence is a prohibited practice.

**Stakeholder comments: WAC 314-55-010 Definitions.** “Consultant”. There is great abuse with “consultants” in this industry. Either accept the fact that retailers are involved in production or enforce the prohibition against ownership between the tiers.

“Employee” definition is too broad.

**LCB response:** The enforcement division investigates any complaints of hidden ownership and ownership between the tiers.

The definition of “employee” is broad to cover the many types of employees a licensee may employ such as temporary employees, seasonal employees, part-time employees, and contract employees. The definition does not include a person providing plumbing or electrical services.

**Stakeholder comments: WAC 314-55-105 (130(c) “Labels affixed to the container or package containing useable marijuana sold at retail must include:”** should not remove THCA. Customers need to have this information.

Labeling needs to be simplified. Customers are confused by so many numbers.

**LCB response:** The language was revised to remove THCA but includes “total THC and activated THCA”. LCB had received requests to make this revision for clarity.

It is the responsibility of the retail licensee to explain the numbers on the label to the customer if they have questions.

**Stakeholder comments:** Labeling for both recreational and medical marijuana should be the same.

**LCB comments:** Department of Health is tasked with defining “medical marijuana”. The board and the Department of Health will work together to develop the rules for labeling of medical marijuana. The board always seeks input from stakeholder at each stage of the rulemaking process.

**Stakeholder comments:** The financial statement is too difficult for applicants to figure out. The board needs to educate applicants on the forms.

**LCB response:** Marijuana investigators are available to assist applicants with the required forms.

**Stakeholder comments: WAC 314-55-105 Labeling and packagin**g. The sample labels in the rule don’t meet the NIST handbook rules.

**LCB response:** Not enough information was given to understand what part of the sample labels don’t meet the NIST handbook rules.

**Stakeholder comments:** The board needs to have an advisory board to make decisions on the rules.

**LCB response:** The board seeks input from stakeholder at every stage of rulemaking. The board intends to create a Marijuana Advisory Council in the near future similar to the Business Advisory Council that has been established for alcohol.