Date: January 29, 2025

To: Jim Vollendroff, Board Chair

Ollie Garrett, Board Member Pete Holmes, Board Member

From: Daniel Jacobs, Acting Policy and Rules Manager

Copy: Will Lukela, Agency Director

Toni Hood, Agency Deputy Director

Becky Smith, Director of Licensing and Regulations Paul Magerl, Interim Chief of Enforcement and Education Justin Nordhorn, Policy and External Affairs Director

Subject: Board approval of supplemental proposed rules (CR-102) on

Cannabis Samples.

The Director's Office requests approval to file a supplemental rule proposal (CR-102) to amend <u>WAC 314-55-096</u> related to cannabis samples as described in the CR-102 Memorandum attached to this order and presented at the Board meeting on January 29, 2025. If approved for filing, the tentative timeline for this rule proposal is as follows:

| January 29, 2025 | Board is asked to approve filing proposed rules (CR-102). CR-102 filed with the Office of the Code Reviser. LCB webpage updated, and notice circulated by GovDeliver distribution list. | | |
|-----------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|--|
| | Formal comment period begins. | | |
| February 19, 2025 | Notice published in the Washington State Register under WSR 25-04. | | |
| March 12, 2025 | Public hearing held and formal comment period ends. | | |
| No earlier than March 26, 2025 | Board is asked to adopt rules if no substantive changes are made (CR-103). Concise Explanatory Statement provided to individuals who offered written or oral comment at the public hearing or during the formal comment period, consistent with RCW 34.05.325 . CR-103 and adopted rules are filed with the Office of the Code Reviser. LCB webpage updated, and notice circulated by GovDelivery distribution list. | | |
| No earlier than April | Rules are effective 31 days after filing, unless otherwise | | |
| 26, 2025 | specified. See RCW 34.05.380. | | |

| Approve | Disapprove | | |
|---------|------------|-----------------------------|------|
| | | Jim Vollendroff, Chair | Date |
| | | | |
| Approve | Disapprove | | |
| Approve | ызарргоче | Ollie Garrett, Board Member | Date |
| | | | |
| _ | | | |
| Approve | Disapprove | Data Halman Danid Marikan | D-1- |
| | | Pete Holmes, Board Member | Date |

Attachment: CR-102 Memorandum



Supplemental CR-102 Memorandum

Cannabis Samples Rulemaking

Date: January 29, 2025

Presented by: Daniel Jacobs, Acting Policy & Rules Manager

Background

On August 31, 2022, the Washington State Liquor and Cannabis Board (LCB) <u>accepted</u> a petition for rulemaking submitted by Vicki Christopherson, on behalf of the Washington Association of Cannabis Businesses (WACA) requesting the Board consider rulemaking to amend <u>WAC 314-55-096</u> regarding vendor, educational, and internal quality samples (cannabis samples) to streamline the existing framework.

The rulemaking was initiated on March 1, 2023, and the CR-101 was filed as <u>WSR 23-06-079</u>. An informal public comment period was open <u>until April 13, 2023</u>, during which time many stakeholders reached out and provided comments on ways to improve the sampling rule, such as the elimination of vendor samples, relaxation of quality control sample restrictions, and the need for larger sample sizes.

Stakeholder Engagement

The project team consists of representation from the Attorney General's Office, Enforcement & Education division, Licensing division, and the Finance division. An inperson discussion was held on March 9, 2023, and included direct engagement with industry members. The LCB sent stakeholder surveys in July 2023 and held virtual collaborative rulemaking discussions in October 2023, which included a PowerPoint linked here.

Initial Proposed Rule Language - CR 102 filed Aug. 14, 2024

On Aug. 14, 2024, the Board approved filing of the CR-102 of proposed rules, filed as WSR 24-17-051. The memorandum included with the filing can be found here along with hundreds of pages of attached materials. The goals of the initial proposed files, as stated in the CR 102 memo, are repeated here:

 Unified Sample Category - 'Trade Samples': This category merges vendor and educational samples to reduce regulatory complexity and better align with industry practices.

- 2. **Representative Sample Sizes**: Ensures that trade samples reflect the smallest marketable product size to accurately represent consumer products, aiding in more informed business decisions.
- Quarterly Provision Limits: Transitioning to quarterly limits accommodates the operational cycles of producers, particularly those with seasonal outdoor production schedules.
- 4. **Equivalency Standards for Different Product Types**: Standard limits across various product types ensure fair and consistent sampling practices.
- 5. **Traceability and Recordkeeping**: All trade samples must be documented in the state's traceability system, including detailed records of product type, trade name, and the receiving licensee. This ensures transparency and facilitates compliance monitoring.
- 6. **Designated Storage Areas**: Trade samples must be stored in designated areas separate from non-sample inventory. This separation is crucial for preventing contamination and ensuring samples are easily identifiable for audit and compliance checks.
- 7. **Employee Sampling**: Employees of licensees can receive up to 16 trade sample units per calendar quarter. These samples must be used strictly for educational purposes and are not to be used as compensation or incentives.
- 8. **Limits on Sample Distribution**: Producers can distribute up to 96 trade sample units of cannabis per calendar quarter to processors, allowing comprehensive product assessment. Processors may provide up to 120 trade sample units of various cannabis products to retailers per quarter, facilitating extensive staff training and product familiarization.
- 9. **Sample Jar Modifications**: Changes include requirements for sample jars to be transparent, allowing customers to view and smell the product. This modification enhances consumer interaction with the product without compromising safety.

Below is a table summarizing the changes in the proposed rules:

| | WAC 314-55-096 Vendor, educational, and internal quality control samples. | | | | |
|---------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|--|
| Section | Existing Rule | Proposed Rule (CR-102) WSR 24-17-051 | Reason | | |
| Title | Vendor, educational, and internal quality control samples | Trade samples, retail display samples, and internal quality control samples. | Renaming title to reflect new categories of samples. | | |
| (1) | Vendor samples: Producers or processors may provide free samples of useable cannabis, cannabis-infused products, and cannabis concentrates to negotiate a sale on product the retail licensee does not currently carry. All vendor sample limits are based on calendar months. The producer or processor must record the amount of each vendor sample and the processor or retailer receiving the sample in the traceability system. The outgoing sample must be clearly labeled as a | Trade samples: Trade samples are samples of useable cannabis, cannabis-infused products, and cannabis concentrates as described in this section, provided for free for the purpose of negotiating a sale and providing education to budtenders engaged in selling cannabis products at retail. | Vendor samples and education samples are being combined into a single category and renamed trade samples to better reflect their purpose as free samples provided for the purposes identified. | | |

| | 1 | <u></u> | T |
|-------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | "vendor sample" to negotiate a sale and recorded on a transport manifest. The receiving licensee must receive the vendor sample in the traceability system prior to sampling. | | |
| (1)(a) | Vendor samples may only be given to and used by licensees or employees of licensees who have product ordering authority or employees who provide input on product to licensees or employees of licensees who have purchasing authority to inform purchasing decisions as detailed in a written business policy. | Trade samples may be provided by a producer to a processor, or by a processor to a retailer. | Trade samples can only be provided by either a producer to a processor, or by a processor to a retailer. |
| (1)(b) | Producers may not provide any one licensed processor more than eight grams of cannabis flower per month free of charge for the purpose of negotiating a sale. | Trade samples must be provided free of charge to the receiving licensee. | This language is meant to reiterate that trade samples are free. The quantity limits have been moved to (1)(f). |
| (1)(c) | Processors may not provide any one licensed retailer more than eight grams of useable cannabis per month free of charge for the purpose of negotiating a sale. | Trade samples may only be provided to a licensee that has requested the trade sample or is consenting to receiving the trade sample | The addition of the request/consent requirement is meant to address stakeholder feedback received from licensees about receiving unwanted samples. The quantity limits have been moved to (1)(f). |
| (1)(d) | Processors may not provide any one licensed retailer more than eight units of cannabis-infused products in solid form meant to be ingested orally or otherwise taken into the body per month free of charge for the purpose of negotiating a sale. No single unit may exceed 10 mg of THC. | Trade samples may be used for: | This section identifies the specific permissible purposes for trade samples. The quantity limits have been moved to (1)(f). The serving size limits have been moved to (1)(e)(iii). |
| (1)(d)(i) | N/A | Negotiating a sale on product not currently carried by the cannabis licensee; | |
| (1)(d)(ii) | N/A | Educating budtenders on new products the cannabis retailer has not previously offered for sale to the public; and | These are the permissible purposes for trade samples. |
| (1)(d)(iii) | N/A | Educating budtenders on existing products the retailer sells | |
| (1)(e) | Processors may not provide any one licensed retailer more than eight units of cannabis-infused product in liquid form meant to be eaten, swallowed, or otherwise taken into the body per month free of charge for the purpose of negotiating a sale. No single unit may exceed 10 mg of THC. | A trade sample unit must: | This section requires trade samples meet the following requirements: - they must be representative of the product being offered for sale on the market; and - any sample provided to an employee must be the |

| (1)(e)(i) | N/A | Be representative of the product | smallest unit offered for |
|-----------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------|
| (- /(- /(- / | | being offered for sale on the market; | individual sale at retail. |
| (1)(e)(ii) | N/A | Not be larger than the smallest unit offered for individual sale at retail; | See (1)(e) – (1)(e)(i). |
| (1)(e)(iii) | N/A | Not exceed the following amounts per unit: | |
| (1)(e)(iii)(A) | N/A | 3.5 grams of cannabis; | |
| (1)(e)(iii)(B) | N/A | One gram of cannabis concentrate; | Those are the convince size |
| (1)(e)(iii)(C) | N/A | 100 milligrams of cannabis-infused product in solid or liquid form meant to be ingested orally, applied topically, or otherwise taken into the body containing not more than 10 milligrams of active delta-9 THC per serving consistent with the limits provided in WAC 314-55-095. | These are the serving size limits for trade samples for cannabis, cannabis concentrate, and cannabis-infused product respectively. |
| (1)(f) | Processors may not provide any one licensed retailer more than eight units of cannabis-infused products meant to be applied topically per month free of charge for the purpose of negotiating a sale. | The limits on the amount of trade samples offered to cannabis licensees are based on calendar quarters. | Trade sample quantity limits are identified here. Trade sample quantity limits are |
| (1)(f)(i) | N/A | Producers may not provide any one licensed processor more than 96 trade sample units of cannabis flower per calendar quarter. | framed per calendar quarter to provide flexibility for businesses and better reflect the operational cycles of |
| (1)(f)(ii) | N/A | Processors may not provide any one licensed retail business more than 120 trade sample units of any combination of useable cannabis, cannabis concentrates, or cannabisinfused products per calendar quarter. | producers, particularly those with seasonal outdoor production schedules. |
| (1)(g) | Processors may not provide any one licensed retailer more than two units of cannabis-infused extract meant for inhalation or infused cannabis mix per month free of charge for the purpose of negotiating a sale. No single unit may exceed 0.5 g. | The producer or processor must: | This section identifies additional requirements for producers and processors regarding trade samples: |
| (1)(g)(i) | N/A | Record the amount of each trade sample provided by product type and the trade name of the receiving licensee in the state's traceability system | Producers and processors must record data on trade samples in the state's traceability system. |

| (1)(h) | quality assurance test results available to any processor receiving samples to negotiate a sale. The producer must also provide a | The receiving licensee must receive the trade sample in the traceability system prior to sampling. | (1)(h) | (1)(g)(v)- (1)(g)(vii) | |
|-------------|--------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------|--|
| (1)(g)(vii) | N/A A cannabis producer must make | Disclose all solvents and other chemicals, that were used during the processing of a cannabis concentrate or cannabis-infused product including, but not limited to, additives and ingredients. | This language | T | |
| (1)(g)(vi) | N/A | Disclose all chemicals applied to the growing medium and the plants during production and or processing as applicable including, but not limited to, pesticides, fungicides, herbicides, rodenticides, nutrients, fertilizers, and pH control; and | This is expanding on the language previously in (1)(h). | | |
| (1)(g)(v) | N/A | Provide the license receiving trade samples of cannabis with the certificate of analysis for all quality assurance and quality control tests conducted on the lot or batch from which the sample was derived; | This requirement is meant to reiterate the requirements previously in (1)(h) and (2)(e). | | |
| (1)(g)(iv) | N/A | Not provide trade samples as a condition for a retailer to purchase the producer or processor's products or in any manner that would cause undue influence over another licensee or industry member; | This prohibition is meant to prevent trade samples being used in a way to exert undue influence. | | |
| (1)(g)(iii) | N/A | Locate and store all trade samples in a designated area on the licensed premises, separate from nonsample products being sold to another licensee; | ensure that tra | This requirement is meant to ensure that trade samples are not confused with other product available for retail sale. | |
| (1)(g)(ii) | N/A | Clearly label each outgoing sample as a "trade sample" and itemize trade samples on a separate transport manifest from products intended for resale; All trade samples must be packaged and labeled in accordance with the requirements in WAC 314-55-105, and include an additional label affixed to the package with the following statement in a style or type of lettering that is bold, clear, and conspicuous when compared with other type, lettering or graphics, and does not obscure other required labeling information: "TRADE SAMPLE – NOT FOR RESALE OR DONATION." | | ements for provided to oles must be of product sold ow must be the he smallest sale, an oation on the g it as a trade om product | |

| | atatana antibat disalaga and li | T | 1 | 1 |
|-------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------|----------------------------------------------------------|
| | statement that discloses all pesticides applied to the cannabis plants and growing medium during production. | | Last sentence of (1). | (1)(h) |
| | A cannabis processor must make | | Old | New |
| | quality assurance test results available to any retailer receiving samples to negotiate a sale. If a cannabis extract was added to the | Trade sample may only be given to and used by licensees or current paid | (1)(i) | (1)(g)(v)- (1)(g)(v)(ii) |
| (1)(i) | 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. | employees of the licensee as detailed in the licensee's written business policy. | Last sentence of (1)(a). | (1)(i) |
| (1)(i)(i) | N/A | Trade samples may not be sold, and only be given free of charge to paid employees of the licensed business. | This reiterates samples are no | |
| (1)(i)(ii) | N/A | Trade samples may not be provided as employee compensation, as an incentive, or reward. | This language was in (2)(d). | is like what |
| (1)(j) | 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. | Cannabis retailers: | This section identifies the requirements and prohibitions applicable to retailers. | |
| (1)(j)(i) | The unique identifier number generated by the traceability system; | Must not require a producer or processor to provide free trade samples as a condition for purchasing a licensee's products or in any manner that would cause undue influence over another licensee or industry member. | Language is from second part of (3). | |
| | | | Old | New |
| | | Must leaste trade complex in a | (1)(j)(ii) | (4)(a)(i) |
| (1)(j)(ii) | The UBI number of the licensed entity providing the sample; and | Must locate trade samples in a designated area on the licensed premises, separate from nonsample products for resale, and be clearly identified as trade samples. | The new languary physically segrence samples is implementally ensuring sample identifiable for compliance put | regating portant for poles are easily audit and |
| | | | Old | New |
| | | May provide free trade samples of | (1)(j)(iii) | (4)(a)(iii) |
| (1)(j)(iii) | Weight of the product in ounces and grams or volume as applicable. | useable cannabis, cannabis-infused products, and cannabis concentrates to current paid employees of the licensed retailer. | By combining vender sample proposed rules simplifying the sample framew | es, the s are cannabis vork. |
| (1)(j)(iv) | N/A | Must track all incoming and outgoing trade sample inventory in the state traceability system by product type. | | is from the last and the |
| (1)(j)(v) | N/A | Must record the sample amount being provided to each employee in the traceability system including the | This language sentence of (4) | |

| | | product type and the name of the employee receiving the sample. | | |
|-------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------|
| (1)(j)(vi) | N/A | Must not provide more than 15 sample units to any one employee within a calendar quarter. | Language is like last sentence of (2)(a) but adjusted to reflect calendar quarters. | |
| | Education Sampling. Processors | | Old | New |
| | may provide free samples of useable cannabis, cannabis-infused products, and cannabis concentrates to retail licensees to give to the licensee's employees for educational purposes. Products being sampled must be carried by the licensed retailer. The processor must record the amount of each sample and the retailer receiving the sample in the | | (5) | (2) |
| (2) | traceability system. The outgoing sample must be clearly labeled as "education sample" and recorded on a transport manifest. Once the retailer receives the sample, the retailer must accept the sample in the traceability system prior to distributing samples to the retailer's employees. All employees at a licensed retail location who receive educational samples must be entered into the traceability system for the purpose of distributing education samples. | Retailers may not provide free samples to customers. | The entire cate education sam removed and covendor sample single category samples. | ples is being combined with s to create the of trade |
| (2)(a) | Retailers are restricted to receiving a maximum of 100 sample units per calendar month. No more than 10 sample units may be provided to any one employee per calendar month. | N/A | The first sentence is reframed as a limit on how many samples a processor can provide a retailer in a given quarter and is now at (1)(f)(ii) See above regarding (1)(j)(vi). | |
| (2)(b) | The maximum size of education samples are: | N/A | See (2). | |
| (2)(b)(i) | Useable cannabis, cannabis mix, and infused cannabis mix – One unit not to exceed 0.5 g. | N/A | See (2). | |
| (2)(b)(ii) | Cannabis infused solid or liquid product meant to be ingested orally or otherwise taken into the body – One unit not to exceed 10 mg THC. | N/A | See (2). | |
| (2)(b)(iii) | Cannabis-infused extract for inhalation – One unit not to exceed 0.25 g. | N/A | See (2). | |
| (2)(b)(iv) | Cannabis-infused products for topical application - One unit not to exceed 16 ounces. | N/A | See (2). | |
| (2)(c) | Distribution and consumption of all educational samples is limited to | N/A | See (2). | |

| | 1 | T | | |
|---------------|---------------------------------------|----------------------------------------|-------------------------------------------------------------------------------------------------------------|-------------------|
| | 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. | | | |
| | Cannabis retail licensees are | | | |
| (0)(4) | prohibited from providing educational | NI/A | Mayod to (4)(:) | /::\ |
| (2)(d) | samples to their employees as a form | N/A | Moved to (1)(i) | (II). |
| | of compensation. | | | |
| | A cannabis processor must make | | | |
| | quality assurance test results | | | |
| | available to any retailer receiving | | | |
| | education samples. If a cannabis | | | |
| | | | Moyad to (1)/a | ı\(\u00e4ii\) and |
| (2)(e) | extract was added to the product, the | N/A | Moved to (1)(g | i)(vii) ariu |
| , , , , | processors must disclose the type of | | (1)(h). | |
| | extraction process and any solvent, | | | |
| | gas, or other chemical used in the | | | |
| | extraction process, or any other | | | |
| | compound added to the extract. | | | |
| | Education sample labeling: All | | | |
| | education samples must be clearly | | | |
| (2)(f) | labeled "education sample" and | N/A | | |
| | include the following information on | | | |
| | the label: | | None of these | requirements |
| (2)/f)/i) | The unique identifier number | N/A | are relevant any more giver that sample jar labeling is now addressed in (4) and there is no distinction in | |
| (2)(f)(i) | generated by the traceability system; | IN/A | | |
| | The UBI number and trade name of | | | |
| (2)(f)(ii) | the licensed entity providing the | N/A | | |
| | sample; | | labeling require | |
| (0) (0) (111) | Product name or strain name for | 21/2 | between differ | |
| (2)(f)(iii) | useable cannabis; | N/A | sample. | |
| /-> /B //-> | Weight of the product in ounces and | | | |
| (2)(f)(iv) | grams or volume as applicable; and | N/A | | |
| | Potency labeled as required under | | 1 | |
| (2)(f)(v) | WAC 314-55-105 . | N/A | | |
| | 11.10 017 00 100. | Internal quality control sampling: | Old | Nam |
| | | Producers and processors may | Old | New |
| | | conduct limited self-sampling for | | |
| | | | | |
| | A cannabis processor is not required | quality control. All sample limits are | | |
| | | based on calendar quarters. | (3) | (1)(j) |
| | to provide free samples to negotiate | Consuming samples for quality | | |
| | a sale or educational samples to a | control may not take place on | | |
| | cannabis retail licensee, and a | the licensed premises. Only the | | |
| (3) | cannabis retail licensee may not | producer, processor, or their | | |
| | require a cannabis processor to | paid employees may sample | | |
| | provide free sample to negotiate a | cannabis flower, useable cannabis, | | |
| | sale or educational samples as a | cannabis-infused products, cannabis | | |
| | condition for purchasing the cannabis | concentrates, and edible cannabis- | (4) | (2) |
| | processor's products. | infused product. The producer or | (4) | (3) |
| | | processor must record the amount of | | |
| | | each sample and the employee(s) | | |
| | | conducting the sampling in | | |
| | | the state's traceability system. | | |
| | | and diate o traceability dystern. | I | I |

| (3)(a) | N/A | Producers may sample up to 14 grams of cannabis per harvest, for internal quality control. | This limit used and has been a reflect a "per habetter reflect the cycles of produparticularly thoseasonal outdoschedules. | adjusted to arvest" rate to e operational acers, se with |
|-------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------|
| (3)(b) | N/A | Processors may sample up to eight units per batch of cannabis-infused product meant to be ingested orally or otherwise taken into the body to be offered for sale on the market for internal quality control. | This limit used and has been i one unit per batch reflect the oper of producers, p those with seas production sch | ncreased from tch to eight to better ational cycles articularly sonal outdoor |
| (3)(c) | N/A | Processors may sample up to 3.5 grams per batch of cannabis concentrates to be offered for sale on the market for internal quality control. | There was not a specific limit on how much cannabis concentrates a processor may sample per batch. | |
| | Internal quality control sampling: Producers and processors may | | Old | New |
| | conduct limited self-sampling for quality control. All sample limits are | | (4) | (3)* |
| (4) | based on calendar months. Consuming samples for quality control may not take place at a licensed premises. Only the producer, processor, or employees of the licensee may sample the cannabis flower, useable cannabis, cannabis-infused products, cannabis concentrates, and edible cannabis- infused product. The producer or processor must record the amount of each sample and the employee(s) conducting the sampling in the traceability system. | Sample jars: | (6) | (4) |
| (4)(a) | Producers may sample two grams of cannabis flower per strain, per month for quality sampling. | All sample jars must be labeled with the following: | Language from (6)(b). | |
| (4)(a)(i) | N/A | Information identifying it as a sample jar; | Language like | (6)(b)(ii). |
| (4)(a)(ii) | N/A | The UBI number of the licensed entity providing the sample; and | Language from | (6)(b)(iii). |
| (4)(a)(iii) | N/A | Weight of the product in ounces and grams or volume as applicable. | Language from (6)(b)(iv). | |
| | | A processor may provide a retailer | Old | New |
| (4)(b) | Processors may sample one unit per batch of a new cannabis-infused | free samples of useable cannabis packaged in a transparent sample jar protected by a plastic or metal mesh screen to allow customers to view and smell the product before purchase. The sample jar may not contain more than 3.5 grams of | (4)(b) | (3)(b) |
| (4)(0) | product meant to be ingested orally or otherwise taken into the body to | | (6)(a) | (4)(b) |
| | be offered for sale on the market. | | The amount of permitted for sa batch was incre | |

| | | useable cannabis. 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 change fror limits to quarte | |
|-------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------|
| (4)(c) | Processors may sample up to one unit per batch of a new cannabis-infused extract for inhalation to be offered for sale on the market. No single sample may exceed 0.5 g. | Neither the sample jar or the useable cannabis within may be sold, transferred, given away, or otherwise provided to a customer. | Language from (6)(a). | |
| (4)(d) | Processors may sample one unit per batch of a new cannabis mix packaged to be offered for sale on the market. No single sample may exceed 1 g. | Any useable cannabis no longer needed for display in sample jars may either be: | This language ways for disposunwanted sam flexibility for lice | sing of ples for added |
| (4)(d)(i) | N/A | Given to paid employees of the retailer free of charge. The sample amount must be recorded in the state's traceability system and will count towards the employees maximum sample limit described in (1)(j)(vi) of this section; | This language provides an option for retailers to dispose of unwanted samples by giving them to paid employees within the framework of this rule. | |
| (4)(d)(ii) | N/A | Disposed in accordance with the requirements in WAC 314-55-097 and recorded in the state's traceability system, consistent with WAC 314-55-083; or | This language allows the retailer to dispose of samples via the permissible mechanism in WAC 314-55-097 as long as traceability requirements are met. | |
| (4)(d)(iii) | N/A | Returned to the processor that provided the sample, to be disposed in accordance with WAC 314-55-097 and recorded in the state's traceability system, consistent with WAC 314-55-083. | | |
| (4)(e) | Processors may sample one unit per batch of a new infused cannabis mix to be offered for sale on the market. No sample may exceed 0.5 g. | N/A | Moved and adj | usted to (3)(b). |
| (4)(f) | Processors may sample one unit per batch of a new cannabis-infused product for topical application to be offered for sale on the market. No sample may exceed 16 ounces. | N/A | Moved and adjusted to (3)(b). | |
| | Batailana mananat manaida fina | Transportation. Outgoing and return | Old | New |
| (5) | Retailers may not provide free samples to customers. | trade samples and sample jars must adhere to the transportation | (5) | (2) |
| | • | requirements in WAC 314-55-085. | (7) | (5) |
| (6) | Sample jars: | N/A | Moved to (4). | |
| (6)(a) | A processor may provide a retailer free samples of useable cannabis 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 useable cannabis. The | N/A | Moved to (4)(b). | |

| N/A | Moved to (4)(a). | |
|------|-----------------------|--|
| NI/A | No longer required. | |
| IN/A | No longer required. | |
| NI/A | Modified and moved to | |
| IN/A | (4)(a)(i). | |
| N1/A | | |
| IN/A | Moved to (4)(a)(ii). | |
| NI/A | Manual to (4)(a)(iii) | |
| IN/A | Moved to (4)(a)(iii). | |
| | | |
| | | |
| | | |
| N/A | Mayod to (4)(a)(yi) | |
| | Moved to (1)(g)(vi). | |
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| | | |
| | | |
| N/A | Moved to (1)(g)(vii). | |
| | ()(9)() | |
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| | 1. (-) | |
| N/A | Moved to (5). | |
| | | |
| | N/A N/A N/A N/A | |

Following the proposed rules filing, a public comment period was open until the public hearing held on October 9, 2024. During this period, eight comments were received, and are attached as Attachment A. Based on the feedback both during the public hearing and via the public comment period, agency staff sought further industry feedback on potential ways to revise the proposed rules to better serve agency and industry goals, while maintaining public health and safety objectives. Many conversations occurred with licensees and stakeholders between October and December 2024.

Supplemental Proposed Rules

The Supplemental Proposed Rules filed here aim to make the following changes to the Proposed Rules filed at WSR 24-17-051, which while a great start to this rulemaking, still require adjustment:

Display of Trade Sample Jars

Language was added to WAC 314-55-096(1)(j) to clarify that trade samples jars can be displayed at retailers near the product it is a sample of.

Increase of Trade Sample Allowance per Employee

Based on stakeholder feedback, the quarterly allotment per employee for trade samples was increased from 15 per quarter to 30 per quarter. As a quarter lasts three months, this comes out to roughly 10 samples per month, or 5 every 14 days. This addresses concerns of daily or near daily use. A goal of the rulemaking has always been to stay away from providing daily samples to employees, as an attempt to not encourage daily or near daily consumption.

Increased Distinction Between Trade Samples and Internal Quality Control Samples

Clarified that trade samples and internal quality control samples are different in several relevant ways, and highlighting that, for example, internal quality control sample do not need to comply with packaging and labeling requirements in 314-55 WAC. Also clarified that internal quality control samples are not the same thing as samples described in WAC 314-55-101 used for testing to comply with WAC 314-55-102 and WAC 314-55-109. Additional recognition of the distinction between trade and internal quality control samples required new definitions of the relevant sample unit size requirements for internal quality control samples.

Reduced Permitted Sample Limits for THC Concentrates

In recognition of the relevant THC disparity between concentrates and other cannabis products, the rules now specify the relevant thresholds for THC concentrates when it comes to employee allotment of samples.

Moved from "per harvest" and "per batch" metric to "per employee"

Based on internal and stakeholder feedback, measuring producer samples by "per harvest" and processor samples by "per batch" was replaced with a universal measurement for "per employee per quarter" over concerns of enforceability and practicality regarding traceability and compliance. The "per employee" approach was a recommendation from licensee stakeholders.

Added time for licensees to use old samples, labels and jars

The revised rule language states that all samples previously known as educational or vendor samples have to be disposed of by Sept. 1, 2025. This will allow licensees to use up previously-made jars, labels and samples without having to dispose of a large number of samples for sunk costs.

Estimated Costs of Compliance

Under the Regulatory Fairness Act (RFA) in chapter 19.85 RCW, agencies are required to consider the costs that complying with the proposed rules will impose on businesses, unless the proposed rules are subject to an exemption to this requirement. The CR 102 form describes these exemptions in more detail. None of the exemptions apply to this rulemaking.

While the proposed rule simplifies some aspects, such as eliminating the need for special sample unit sizes, they introduce costs related to additional labeling, storage, and enhanced record-keeping requirements. These costs may be partly offset by the elimination of the need for special sample sizes and the simplification of product tracking. Additionally, there may be costs associated with destroying existing sample units that do not comply with new rules, once effective. A runoff period until September 1, 2025 is identified in rule to allow licensees to dispose of samples produced under the previous regulations to minimize financial loss to the industry from labels and jars that may no longer be compliant.

LCB applied a default estimated compliance cost when analyzing whether the rules would have a disproportionate impact on small businesses as defined in RCW 19.85.020(3). This estimate is a very generous estimate of \$2,000.00. This is below the smallest minor cost calculated to be \$3,259.51, which is explained in great deal in the Small Business Economic Impact Statement (SBEIS) section of the CR 102 form filed today.

Rule Necessity

These rule changes are needed to simplify the regulatory framework for cannabis samples.

Description of Proposed Rule Changes

| | WAC 314-55-097 Vendor, educational, and internal quality control samples. | | | | |
|------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------|--|--|
| Section | Proposed Rule (CR 102) <u>WSR 24-17-051</u> | Supplemental Proposed Rule (Supplemental CR 102) | Reason for Change | | |
| (1)(g)(ii) | Clearly label each outgoing sample as a "trade sample" and itemize trade samples on a separate transport manifest from products intended for resale; All trade samples must be packaged and labeled in accordance with the requirements in WAC 314-55-105, | [] All trade samples must be packaged and labeled in accordance with the requirements in 314-55 WAC, and include [] | Clarifying that there packaging and labeling requirements outside of WAC 314-55-105 in other parts of 314-55 WAC that may apply. | | |

| | and include an additional label affixed to the package with the following statement in a style or type of lettering that is bold, clear, and conspicuous when compared with other type, lettering or graphics, and does not obscure other required labeling information: "TRADE SAMPLE – NOT FOR RESALE OR DONATION." | 11.4.441 | |
|------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (1)(g)(v) | Changed "license | | Typographical correction. |
| (1)(i) | Trade sample may only be given to and used by licensees or current paid employees of the licensee as detailed in the licensee's written business policy. | Trade samples may only be given to and used by licensees or current paid employees of the licensee as detailed in a licensee's written business policy. Trade samples may not be sold, nor provided as employee compensation, incentive, or reward. Trade samples may only be given free of charge to paid employees of the licensed business. | (1)(i), (1)(i)(i)-(ii) were all combined into a single subsection (1)(i) for simplicity of citation. |
| (1)(i)(i) | Trade samples may not be sold, and only be given free of charge to paid employees of the licensed business. | N/A | |
| (1)(i)(ii) | Trade samples may not be provided as employee compensation, as an incentive, or reward. | N/A | |
| (1)(j)(ii) | Must locate trade samples in a designated area on the licensed premises, separate from nonsample products for resale, and be clearly identified as trade samples. | Must locate trade samples in a designated area on the licensed premises, separate from nonsample products for resale, and be clearly identified as trade samples. Sample jars, as described in (4) of this section may be displayed and located on the counter for customers to be able to smell the sample. | Clarified that sample jars may be displayed at retailers near the corresponding product that is available for sale. |
| (1)(j)(vi) | Trade samples may not be provided as employee compensation, as an incentive, or reward. | Must not provide more than 30 sample units to any one employee within a calendar quarter. | Doubled the limit of permissible quarterly trade samples following stakeholder feedback. |
| (3) | Internal quality control sampling: Producers and processors may conduct limited self-sampling for quality control. All sample limits are based on calendar quarters. Consuming samples for quality control may not take place on the licensed premises. Only the producer, processor, or their paid employees may sample cannabis flower, useable cannabis, | Internal quality control sampling: Producers and processors may conduct limited self-sampling for internal quality control. Internal quality control samples are not the same type of samples referred to in WAC 314-55-101, which are submitted to laboratories for testing purposes as described in WAC 314-55-102 and 314-55-109. All internal | Clarified that: 1. All references to quality control samples should instead state internal quality control samples. 2. Internal quality control samples are distinguishable from quality control samples described in WAC 314-55-101, |

| | cannabis-infused products, cannabis concentrates, and edible cannabis-infused product. The producer or processor must record the amount of each sample and the employee(s) conducting the sampling in the state's traceability system. | quality control sample limits are based on calendar quarters. Consuming samples for internal quality control may not take place on the licensed premises. Internal quality control samples are not required to meet packaging and labeling requirements in 314-55 WAC. Only the producer, processor, or their paid employees may sample cannabis flower, useable cannabis, cannabis-infused products, cannabis concentrates, and edible cannabis-infused product. The producer or processor must record the amount of each sample and the employee(s) conducting the sampling in the state's traceability system. | which are submitted to a laboratory for testing purposes as described in WAC 314-55-102 and WAC 314-55-109. 3. Internal quality control samples are exempt from the packaging and labeling requirements applicable to trade samples in (1)(g)(ii). |
|-------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (3)(a) | Producers may sample up to 14 grams of cannabis per harvest, for internal quality control. | For purposes of this subsection an internal quality control sample unit means: | Language moved to (3)(b) and amended as discussed below. |
| (3)(a)(i) | N/A | One gram of cannabis flower | |
| (3)(a)(ii) | N/A | One gram of usable cannabis | These new definitions reflect the |
| (3)(a)(iii) | N/A | 10 milligrams of THC in a cannabis infused product in edible or liquor form | need to define unit size differently for internal quality control samples than for trade |
| (3)(a)(iv) | N/A | One gram of cannabis concentrate, including but not limited to, infused joints, vapor products, and dabs | samples, given the different audiences and purposes of the samples. |
| (3)(b) | Processors may sample up to eight units per batch of cannabis-infused product meant to be ingested orally or otherwise taken into the body to be offered for sale on the market for internal quality control. | Producers may provide up to 50 internal quality control sample units of cannabis flower per employee, per calendar quarter, for internal quality control. | Following stakeholder feedback, moving the metric away from a "per harvest" for producers and "per batch" for processors, towards a "per employee" for ease of applicability, increased |
| (3)(c) | Processors may sample up to 3.5 grams per batch of cannabis concentrates to be offered for sale on the market for internal quality control. | Processors may provide up to 50 internal quality control sample units of cannabis per employee, per calendar quarter for internal quality control. | flexibility, and reduce the possibility of disputes over what constitutes a "batch" or "harvest" and to ensure ease of enforceability. |
| (3)(c)(i) | N/A | Sample units may be provided to processor employees in any combination not to exceed a total of 50 units per calendar quarter. | Reflecting the move away from measuring by harvest or batch and towards a defined quantity per quarter approach. |
| (3)(c)(ii) | N/A | Processors may not provide any one employee more than 25 sample units of cannabis concentrates per calendar quarter. | Added to reflect the differences between concentrates and other THC products. |
| (3)(c)(iii) | N/A | A one gram unit of cannabis concentrates may be a | |

| | | combination of any concentrate product. | |
|-----------|-----------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (3)(d) | N/A | Licensees holding a producer and processor license at the same location are limited in providing a total of 50 internal quality control sample units combined per employee, per calendar quarter. | Added to address producer/processors and stating these licensees are still subject to the limit identified in (3)(c). |
| (4) | Sample jars: | Sample jars for retail display: | Language amended to clarify |
| (4)(a) | All sample jars must be labeled with the following: | All sample jars for retail display must be labeled with the following: | that sample jar labeling requirements apply to sample jars for trade samples for display |
| (4)(a)(i) | Information identifying it as a sample jar; | Information identifying it as a sample jar for display purposes; | purposes, to further distinguish from internal quality control samples. |
| (6) | N/A | By September 1, 2025, all samples previously identified as vendor or educational samples must be disposed of according to the standards identified in WAC 314-55-097. | Identifies a deadline by which all samples under the old regulatory scheme need to be disposed of, in addition to old labels and jars that are no longer compliant. |

Attachments:

A: Written Feedback to CR 102 Filed as WSR 24-17-051

CODE REVISER USE ONLY

PROPOSED RULE MAKING

CR-102 (June 2024) (Implements RCW 34.05.320) Do NOT use for expedited rule making

| Agency: Washington S | State Liquor | and Cannabis Board | | |
|---------------------------------------------------------------------------|----------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------|
| ☐ Original Notice | | | | |
| Supplemental Noti | ce to WSR | 24-17-051 | | |
| ☐ Continuance of WS | SR | | | |
| ⊠ Preproposal Stater | ment of Ing | uiry was filed as WSR 23-0 | 06-079 | ; or |
| | - | osed notice was filed as W | | |
| - | | W 34.05.310(4) or 34.05.33 | | |
| ☐ Proposal is exemp | | • • | -(-), - | |
| Title of rule and other vendor, educational an August 2022 to amend | d internal qu | g information: (describe sub | | Rulemaking to revise WAC 314-55-096 related to response to a petition for rulemaking accepted in |
| Hearing location(s): | | | | |
| Date: | Time: | Location: (be specific) | | Comment: |
| March 12, 2025 | 10:00 AM | All public Board activity will held in a "hybrid" environment of the public have options for in-person virtual attendance. The Boardroom at the headqua building in Olympia (1025 LAvenue, Olympia, WA 9850 be open for in-person attendance. The public may login using a computer or or call-in using a phone, to to the meeting through the Microsoft Teams application public may provide verbal comments during the specific public comment and rules have segments. TVW also regularist these meetings. Please that although the Boardroom be staffed during a meeting Board Members and agency participants may continue that appear virtually | ent. will or rters Jnion 04) will y also device, listen n. The fied nearing arly e note m will y, cy | For more information about Board meetings, please visit https://lcb.wa.gov/Boardmeetings/Board meetings |
| | | arlier than March 26, 2025 | | te: This is NOT the effective date) |
| Submit written comm | | | | ance for persons with disabilities: |
| Name Daniel Jacobs, | Acting Rule | s & Policy Manager | Conta | ct Anita Bingham, ADA Coordinator, Human Resources |
| Address PO Box 4803 | 0, Olympia | WA 98504-3080 | Phone | 360 664 1739 |
| Email rules@lcb.wa.go | VC | | Fax 3 | 60 664 9689 |
| Fax 360-704-5027 | | | TTY 7 | '-1-1 or 1-800-833-6388 |
| Other | | | Email | anita.bingham@lcb.wa.gov |
| Beginning (date and | time) Janu | ary 29, 2025, 12:00 PM | Other | |

By (date) March 5, 2025

Purpose of the proposal and its anticipated effects, including any changes in existing rules: The purpose of this proposed supplemental rule is to make the following adjustments to the proposed rules previously filed as WSR 24-17-051:

Display of Trade Sample Jars

Language was added to WAC 314-55-096(1)(j) to clarify that trade samples jars can be displayed at retailers near the product it is a sample of.

Increase of Trade Sample Allowance per Employee

Based on stakeholder feedback, the quarterly allotment per employee for trade samples was increased from 15 per quarter to 30 per quarter. As a quarter lasts three months, this comes out to roughly 10 samples per month, or 5 every 14 days. This address concerns of daily or near daily use. A goal of the rulemaking has always been to stay away from providing daily samples to employees, as an attempt to not encourage daily or near daily consumption.

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Clarified that trade samples and internal quality control samples are different in several relevant ways, and highlighting that, for example, internal quality control samples do not need to comply with packaging and labeling requirements in 314-55 WAC. Also clarified that internal quality control samples are not the same thing as samples described in WAC 314-55-101 used for testing to comply with WAC 314-55-102 and WAC 314-55-109. Additional recognition of the distinction between trade and internal quality control samples required new definitions of the relevant sample unit size requirements for internal quality control samples.

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Based on internal and stakeholder feedback, measuring producer samples by "per harvest" and processor samples by "per batch" was replaced with a universal measurement for "per employee per quarter" over concerns of enforceability and practicality regarding traceability and compliance. The "per employee" approach was a recommendation from licensee stakeholders.

Added time for licensees to use old samples, labels and jars

The revised rule language states that all samples previously known as educational or vendor samples have to be disposed of by Sept. 1, 2025. This will allow licensees to use up previously-made jars, labels and samples without having to dispose of a large number of samples for sunk costs.

Reasons supporting proposal: The reasons supporting this proposed amended rule, in addition to that described above, are identified in the tables below. This first table below identifies the changes proposed in WSR 24-17-051 to the initial rule language.

| | WAC 314-55-096 Vendor, educational, and internal quality control samples. | | | | |
|---------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|--|
| Section | Existing Rule | Proposed Rule (CR-102) WSR 24-17-051 | Reason | | |
| Title | Vendor, educational, and internal quality control samples | Trade samples, retail display samples, and internal quality control samples. | Renaming title to reflect new categories of samples. | | |
| (1) | Vendor samples: Producers or processors may provide free samples of useable cannabis, cannabis-infused products, and cannabis concentrates to negotiate a sale on product the retail licensee does not currently carry. All vendor sample limits are based on calendar months. The producer or processor must record the amount of each vendor sample and the processor or retailer | Trade samples: Trade samples are samples of useable cannabis, cannabis-infused products, and cannabis concentrates as described in this section, provided for free for the purpose of negotiating a sale and providing education to budtenders engaged in selling cannabis products at retail. | Vendor samples and education samples are being combined into a single category and renamed trade samples to better reflect their purpose as free samples provided for the purposes identified. | | |

| | receiving the sample in the traceability system. The outgoing sample must be clearly labeled as a "vendor sample" to negotiate a sale and recorded on a transport manifest. The receiving licensee must receive the vendor sample in the traceability system prior to sampling. | | |
|-------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (1)(a) | Vendor samples may only be given to and used by licensees or employees of licensees who have product ordering authority or employees who provide input on product to licensees or employees of licensees who have purchasing authority to inform purchasing decisions as detailed in a written business policy. | Trade samples may be provided by a producer to a processor, or by a processor to a retailer. | Trade samples can only be provided by either a producer to a processor, or by a processor to a retailer. |
| (1)(b) | Producers may not provide any one licensed processor more than eight grams of cannabis flower per month free of charge for the purpose of negotiating a sale. | Trade samples must be provided free of charge to the receiving licensee. | This language is meant to reiterate that trade samples are free. The quantity limits have been moved to (1)(f). |
| (1)(c) | Processors may not provide any one licensed retailer more than eight grams of useable cannabis per month free of charge for the purpose of negotiating a sale. | Trade samples may only be provided to a licensee that has requested the trade sample or is consenting to receiving the trade sample | The addition of the request/consent requirement is meant to address stakeholder feedback received from licensees about receiving unwanted samples. The quantity limits have been moved to (1)(f). |
| (1)(d) | Processors may not provide any one licensed retailer more than eight units of cannabis-infused products in solid form meant to be ingested orally or otherwise taken into the body per month free of charge for the purpose of negotiating a sale. No single unit may exceed 10 mg of THC. | Trade samples may be used for: | This section identifies the specific permissible purposes for trade samples. The quantity limits have been moved to (1)(f). The serving size limits have been moved to (1)(e)(iii). |
| (1)(d)(i) | N/A | Negotiating a sale on product not currently carried by the cannabis licensee; | |
| (1)(d)(ii) | N/A | Educating budtenders on new products the cannabis retailer has not previously offered for sale to the public; and | These are the permissible purposes for trade samples. |
| (1)(d)(iii) | N/A | Educating budtenders on existing products the retailer sells | |
| (1)(e) | Processors may not provide any one licensed retailer more than eight units of cannabis-infused product in liquid form meant to be eaten, swallowed, or otherwise taken into the body per month free of charge for the purpose of negotiating a sale. No single unit may exceed 10 mg of THC. | A trade sample unit must: | This section requires trade samples meet the following requirements: - they must be representative of the product being offered for sale on the market; and |
| (1)(e)(i) | N/A | Be representative of the product being offered for sale on the market; | - any sample provided to an employee must be the smallest unit offered for |
| (1)(e)(ii) | N/A | Not be larger than the smallest unit offered for individual sale at retail; | individual sale at retail. |

| (1)(e)(iii) | N/A | Not exceed the following amounts per unit: | |
|----------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (1)(e)(iii)(A) | N/A | 3.5 grams of cannabis; | |
| (1)(e)(iii)(B) | N/A | One gram of cannabis concentrate; | These are the serving size |
| (1)(e)(iii)(C) | N/A | 100 milligrams of cannabis-infused product in solid or liquid form meant to be ingested orally, applied topically, or otherwise taken into the body containing not more than 10 milligrams of active delta-9 THC per serving consistent with the limits provided in WAC 314-55-095. | limits for trade samples for cannabis, cannabis concentrate, and cannabis-infused product respectively. |
| (1)(f) | Processors may not provide any one licensed retailer more than eight units of cannabis-infused products meant to be applied topically per month free of charge for the purpose of negotiating a sale. | The limits on the amount of trade samples offered to cannabis licensees are based on calendar quarters. | Trade sample quantity limits are identified here. Trade sample quantity limits are framed per |
| (1)(f)(i) | N/A | Producers may not provide any one licensed processor more than 96 trade sample units of cannabis flower per calendar quarter. | calendar quarter to provide flexibility for businesses and better reflect the operational |
| (1)(f)(ii) | N/A | Processors may not provide any one licensed retail business more than 120 trade sample units of any combination of useable cannabis, cannabis concentrates, or cannabis-infused products per calendar quarter. | cycles of producers, particularly those with seasonal outdoor production schedules. |
| (1)(g) | Processors may not provide any one licensed retailer more than two units of cannabis-infused extract meant for inhalation or infused cannabis mix per month free of charge for the purpose of negotiating a sale. No single unit may exceed 0.5 g. | The producer or processor must: | This section identifies additional requirements for producers and processors regarding trade samples: |
| (1)(g)(i) | N/A | Record the amount of each trade sample provided by product type and the trade name of the receiving licensee in the state's traceability system | Producers and processors must record data on trade samples in the state's traceability system. |
| (1)(g)(ii) | N/A | Clearly label each outgoing sample as a "trade sample" and itemize trade samples on a separate transport manifest from products intended for resale; All trade samples must be packaged and labeled in accordance with the requirements in WAC 314-55-105, and include an additional label affixed to the package with the following statement in a style or type of lettering that is bold, clear, and conspicuous when compared with other type, lettering or graphics, and does not obscure other required labeling information: "TRADE SAMPLE – NOT FOR RESALE OR DONATION." | This section identifies labeling requirements for trade samples provided to retailers. Samples must be representative of product sold at retail, and now must be the same size as the smallest unit offered for sale, an additional indication on the label identifying it as a trade sample is required to distinguish it from product intended for sale. |
| (1)(g)(iii) | N/A | Locate and store all trade samples in a designated area on the licensed premises, separate from | This requirement is meant to ensure that trade samples are not confused |

| | | nonsample products being sold to another licensee; | with other prod | |
|-------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------|--------------------------------|
| (1)(g)(iv) | N/A | Not provide trade samples as a condition for a retailer to purchase the producer or processor's products or in any manner that would cause undue influence over another licensee or industry member; | This prohibition to prevent trad being used in a exert undue inf | e samples a way to |
| (1)(g)(v) | N/A | Provide the license receiving trade samples of cannabis with the certificate of analysis for all quality assurance and quality control tests conducted on the lot or batch from which the sample was derived; | This requirements to reiterate the requirements properties (1)(h) and (2)(e) | reviously in |
| (1)(g)(vi) | N/A | Disclose all chemicals applied to the growing medium and the plants during production and or processing as applicable including, but not limited to, pesticides, fungicides, herbicides, rodenticides, nutrients, fertilizers, and pH control; and | This is expand language previ | |
| (1)(g)(vii) | N/A | Disclose all solvents and other chemicals, that were used during the processing of a cannabis concentrate or cannabis-infused product including, but not limited to, additives and ingredients. | This language (1)(i). | is from |
| · | A cannabis producer must make | The receiving licensee must receive the trade sample in the traceability | Old | New |
| (1)(h) | quality assurance test results available to any processor receiving samples to negotiate a sale. The | | (1)(h) | (1)(g)(v)- (1)(g)(vii) |
| (1)(11) | producer must also provide a statement that discloses all pesticides applied to the cannabis plants and growing medium during production. | system prior to sampling. | Last sentence of (1). | (1)(h) |
| | A cannabis processor must make | | Old | New |
| | quality assurance test results available to any retailer receiving samples to negotiate a sale. If a cannabis extract was added to the | Trade sample may only be given to and used by licensees or current | (1)(i) | (1)(g)(v)- (1)(g)(v)(i) |
| (1)(i) | 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. | paid employees of the licensee as detailed in the licensee's written business policy. | Last sentence of (1)(a). | (1)(i) |
| (1)(i)(i) | N/A | Trade samples may not be sold, and only be given free of charge to paid employees of the licensed business. | This reiterates samples are no sold. | |
| (1)(i)(ii) | N/A | Trade samples may not be provided as employee compensation, as an incentive, or reward. | This language was in (2)(d). | is like what |
| (1)(j) | 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. | Cannabis retailers: | This section id- requirements a prohibitions ap retailers. | and |
| (1)(j)(i) | The unique identifier number generated by the traceability system; | Must not require a producer or processor to provide free trade samples as a condition for purchasing a licensee's products or in any manner that would cause | Language is from part of (3). | om second |

| | | undue influence over another licensee or industry member. | | |
|-------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------|
| | | ilicensee of industry member. | Old | New |
| (1)(j)(ii) | The UBI number of the licensed entity providing the sample; and | Must locate trade samples in a designated area on the licensed premises, separate from nonsample products for resale, and be clearly identified as trade samples. | (1)(j)(ii) The new langu physically segr samples is impensuring sampeasily identifial and compliance | (4)(a)(i) age about egating ortant for les are ble for audit |
| (1)(j)(iii) | Weight of the product in ounces and grams or volume as applicable. | May provide free trade samples of useable cannabis, cannabis-infused products, and cannabis concentrates to current paid employees of the licensed retailer. | Old (1)(j)(iii) By combining e and vender sai proposed rules simplifying the sample framew | mples, the are cannabis |
| (1)(j)(iv) | N/A | Must track all incoming and outgoing trade sample inventory in the state traceability system by product type. | This language last sentence of the second ser (2). | is from the of (1) and |
| (1)(j)(v) | N/A | Must record the sample amount being provided to each employee in the traceability system including the product type and the name of the employee receiving the sample. | This language last sentence of | |
| (1)(j)(vi) | N/A | Must not provide more than 15 sample units to any one employee within a calendar quarter. | Language is lik sentence of (2) adjusted to refl calendar quarte | (a) but ect |
| (2) | Education Sampling. Processors may provide free samples of useable cannabis, cannabis-infused products, and cannabis concentrates to retail licensees to give to the licensee's employees for educational purposes. Products being sampled must be carried by the licensed retailer. 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 "education sample" and recorded on a transport manifest. Once the retailer receives the sample, the retailer must accept the sample in the traceability system prior to distributing samples to the retailer's employees. All employees at a licensed retail location who receive educational samples must be entered into the traceability system for the purpose of distributing education samples. | Retailers may not provide free samples to customers. | The entire cate education sam being removed combined with samples to cre single category samples. | ples is and vendor ate the |
| (2)(a) | Retailers are restricted to receiving a maximum of 100 sample units per calendar month. No more than 10 sample units may be provided to any one employee per calendar month. | N/A | The first senter reframed as a many samples processor can retailer in a giv and is now at (See above reg (1)(j)(vi). | limit on how a provide a en quarter 1)(f)(ii). |

| (2)(b) | The maximum size of education samples are: | N/A | | |
|-------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------|-----------------------------------------------|
| (2)(b)(i) | Useable cannabis, cannabis mix, and infused cannabis mix – One unit not to exceed 0.5 g. | N/A | | |
| (2)(b)(ii) | Cannabis infused solid or liquid product meant to be ingested orally or otherwise taken into the body – One unit not to exceed 10 mg THC. | N/A | | |
| (2)(b)(iii) | Cannabis-infused extract for inhalation – One unit not to exceed 0.25 g. | N/A | | |
| (2)(b)(iv) | Cannabis-infused products for topical application - One unit not to exceed 16 ounces. | N/A | | |
| (2)(c) | 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. | N/A | | |
| (2)(d) | Cannabis retail licensees are prohibited from providing educational samples to their employees as a form of compensation. | N/A | Moved to (1)(i) | (ii). |
| (2)(e) | A cannabis processor must make quality assurance test results available to any retailer receiving education samples. If a cannabis 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. | N/A | Moved to (1)(g (1)(h). |)(vii) and |
| (2)(f) | Education sample labeling: All education samples must be clearly labeled "education sample" and include the following information on the label: | N/A | None of these | |
| (2)(f)(i) | The unique identifier number generated by the traceability system; | N/A | requirements a any more giver | |
| (2)(f)(ii) | The UBI number and trade name of the licensed entity providing the sample; | N/A | sample jar labe addressed in (4 is no distinction | eling is now 4) and there n in labeling |
| (2)(f)(iii) | Product name or strain name for useable cannabis; | N/A | requirements between different types of sample. | |
| (2)(f)(iv) | Weight of the product in ounces and grams or volume as applicable; and | N/A | | , |
| (2)(f)(v) | Potency labeled as required under WAC 314-55-105 . | N/A | | |
| (3) | A cannabis processor is not required to provide free samples to negotiate a sale or educational samples to a cannabis retail licensee, and a cannabis retail licensee may not require a cannabis processor to provide free sample to negotiate a sale or educational samples as a | Internal quality control sampling: Producers and processors may conduct limited self-sampling for quality control. All sample limits are based on calendar quarters. Consuming samples for quality control may not take place on the licensed premises. Only the | Old (3) | New (1)(j) |

| 1 | | <u></u> | | |
|-------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------|
| | condition for purchasing the cannabis processor's products. | producer, processor, or their paid employees may sample cannabis flower, useable cannabis, cannabis-infused products, cannabis concentrates, and edible cannabis-infused product. The producer or processor must record the amount of each sample and the employee(s) conducting the sampling in the state's traceability system. | (4) | (3) |
| (3)(a) | N/A | Producers may sample up to 14 grams of cannabis per harvest, for internal quality control. | This limit used (4)(a) and has adjusted to refl harvest" rate to reflect the oper cycles of produparticularly the seasonal outdo production sch | been ect a "per better ational cers, se with |
| (3)(b) | N/A | Processors may sample up to eight units per batch of cannabis-infused product meant to be ingested orally or otherwise taken into the body to be offered for sale on the market for internal quality control. | This limit used (4)(b) and has increased from per batch to eigper batch to be the operational producers, part those with seasoutdoor produces. | been one unit ght units tter reflect cycles of cicularly sonal |
| (3)(c) | N/A | Processors may sample up to 3.5 grams per batch of cannabis concentrates to be offered for sale on the market for internal quality control. | There was not limit on how mu cannabis conce processor may batch. | uch entrates a |
| | Internal quality control sampling: Producers and processors may conduct limited self-sampling for quality control. All sample limits are | | Old (4) | New (3)* |
| (4) | based on calendar months. Consuming samples for quality control may not take place at a licensed premises. Only the producer, processor, or employees of the licensee may sample the cannabis flower, useable cannabis, cannabis- infused products, cannabis concentrates, and edible cannabis- infused product. The producer or processor must record the amount of each sample and the employee(s) conducting the sampling in the traceability system. | Sample jars: | (6) | (4) |
| (4)(a) | Producers may sample two grams of cannabis flower per strain, per month for quality sampling. | All sample jars must be labeled with the following: | Language from | (6)(b). |
| (4)(a)(i) | N/A | Information identifying it as a sample jar; | Language like | (6)(b)(ii). |
| (4)(a)(ii) | N/A | The UBI number of the licensed entity providing the sample; and | Language from | (6)(b)(iii). |
| (4)(a)(iii) | N/A | Weight of the product in ounces and grams or volume as applicable. | Language from | |
| (4)(b) | | | Old | New |

| | | A processor may provide a retailer free samples of useable cannabis | (4)(b) | (3)(b) | |
|-------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------|--|
| | | packaged in a transparent sample jar protected by a plastic or metal | (6)(a) | (4)(b) | |
| | Processors may sample one unit per batch of a new cannabis-infused product meant to be ingested orally or otherwise taken into the body to be offered for sale on the market. | mesh screen to allow customers to view and smell the product before purchase. The sample jar may not contain more than 3.5 grams of useable cannabis. 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 amount of units permitted sampling per b increased to re change from m limits to quarte | sample for atch was flect the onthly | |
| (4)(c) | Processors may sample up to one unit per batch of a new cannabisinfused extract for inhalation to be offered for sale on the market. No single sample may exceed 0.5 g. | Neither the sample jar or the useable cannabis within may be sold, transferred, given away, or otherwise provided to a customer. | Language from | ı (6)(a). | |
| (4)(d) | Processors may sample one unit per batch of a new cannabis mix packaged to be offered for sale on the market. No single sample may exceed 1 g. | Any useable cannabis no longer needed for display in sample jars may either be: | This language new ways for d unwanted sam added flexibility licensees. | isposing of ples for | |
| (4)(d)(i) | N/A | Given to paid employees of the retailer free of charge. The sample amount must be recorded in the state's traceability system and will count towards the employees | | This language provides an option for retailers to dispose of unwanted samples by giving them to paid employees within the framework of this rule. | |
| (4)(d)(ii) | N/A | Disposed in accordance with the requirements in WAC 314-55-097 and recorded in the state's traceability system, consistent with WAC 314-55-083; or | This language allows the retailer to dispose of samples via the | | |
| (4)(d)(iii) | N/A | Returned to the processor that provided the sample, to be disposed in accordance with WAC 314-55-097 and recorded in the state's traceability system, consistent with WAC 314-55-083. | permissible mechanism in WAC 314-55-097 as long as traceability requirements are met. | | |
| (4)(e) | Processors may sample one unit per batch of a new infused cannabis mix to be offered for sale on the market. No sample may exceed 0.5 g. | N/A | Moved and adjusted to (3)(b). | | |
| (4)(f) | Processors may sample one unit per batch of a new cannabis-infused product for topical application to be offered for sale on the market. No sample may exceed 16 ounces. | N/A | Moved and adj (3)(b). | usted to | |
| | | Transportation. Outgoing and return trade samples and sample | Old | New | |
| (5) | Retailers may not provide free samples to customers. | jars must adhere to the transportation requirements in WAC | (5) | (2) | |
| (6) | Sample jars: | 314-55-085. N/A | Moved to (4). | (0) | |
| (6)(a) | A processor may provide a retailer free samples of useable cannabis 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 useable cannabis. The | N/A | Moved to (4). | | |

| | 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 useable cannabis within | | | |
| | may not be sold to a customer and | | | |
| | must be returned to the licensed | | | |
| | processor who provided the useable | | | |
| | cannabis and sample jar. | | | |
| (6)(b) | Sample jar labeling: All sample jars | N/A | Moved to (4)(a). | |
| (0)(D) | must be labeled with the following: | IV/A | 1010ved to (4)(a). | |
| (6)(b)(i) | The unique identifier number | N/A | No longer required. | |
| (6)(b)(i) | generated by the traceability system; | IN/A | No longer required. | |
| (6)(b)(ii) | Information identifying whether it is a | N/A | Modified and moved to | |
| (0)(0)(11) | vendor sample or sample jar; | IV/A | (4)(a)(i). | |
| (6)(b)(iii) | The UBI number of the licensed entity | N/A | Moved to (4)(a)(ii). | |
| (0)(0)(111) | providing the sample; and | IV/A | Woved to (4)(a)(ii). | |
| (6)(b)(iv) | Weight of the product in ounces and | N/A | Moyod to (4)(a)(iii) | |
| (0)(0)(10) | grams or volume as applicable. | IV/A | Moved to (4)(a)(iii). | |
| | A cannabis processor must make | | | |
| | quality assurance test results | | | |
| | available to any retailer receiving | | Moved to (1)(g)(vi). | |
| (6)(c) | sample jars. The processor must also | N/A | | |
| (0)(0) | provide a statement that discloses all | IV/A | | |
| | pesticides applied to the cannabis | | | |
| | plants and growing medium during | | | |
| | production. | | | |
| | If a cannabis extract was added to the | | | |
| | product, the processor must disclose | | | |
| | to the retailer the type of extraction | | | |
| (6)(d) | process and any solvent, gas, or | N/A | Moved to (1)(g)(vii). | |
| | other chemical used in the extraction | | | |
| | process, or any other compound | | | |
| | added to the extract. | | | |
| | Transportation. Outgoing and return | | | |
| (7) | vendor samples and sample jars must | N/A | Moved to (5). | |
| (7) | adhere to the transportation | 19/7 | 1110000 10 (0). | |
| | requirements in WAC 314-55-085. | | | |

This second table demonstrates the changes proposed to the proposed rule language in WSR 24-17-051:

| WAC 314-55-097 Vendor, educational, and internal quality control samples. | | | | |
|---------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------|--|
| Section | Proposed Rule (CR 102) <u>WSR 24-17-051</u> | Supplemental Proposed Rule (Supplemental CR 102) | Reason for Change | |
| (1)(g)(ii) | Clearly label each outgoing sample as a "trade sample" and itemize trade samples on a separate transport manifest from products intended for resale; All trade samples must be packaged and labeled in accordance with the requirements in WAC 314-55-105, and include an additional label affixed to the package with the following statement in a style or type of lettering that is bold, clear, and conspicuous when compared with other type, lettering or graphics, and does not obscure other required labeling information: "TRADE SAMPLE – NOT FOR RESALE OR DONATION." | [] All trade samples must be packaged and labeled in accordance with the requirements in 314-55 WAC, and include [] | Clarifying that there packaging and labeling requirements outside of WAC 314-55-105 in other parts of 314-55 WAC that may apply. | |
| (1)(g)(v) | Changed "licens | se" to "licensee." | Typographical correction. | |

| (1)(i) | Trade sample may only be given to and used by licensees or current paid employees of the licensee as detailed in the licensee's written business policy. | Trade samples may only be given to and used by licensees or current paid employees of the licensee as detailed in a licensee's written business policy. Trade samples may not be sold, nor provided as employee compensation, incentive, or reward. Trade samples may only be given free of charge to paid employees of the licensed business. | (1)(i), (1)(i)(i)-(ii) were all combined into a single subsection (1)(i) for simplicity of citation. |
|------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (1)(i)(i) | Trade samples may not be sold, and only be given free of charge to paid employees of the licensed business. | N/A | |
| (1)(i)(ii) | Trade samples may not be provided as employee compensation, as an incentive, or reward. | N/A | |
| (1)(j)(ii) | Must locate trade samples in a designated area on the licensed premises, separate from nonsample products for resale, and be clearly identified as trade samples. | Must locate trade samples in a designated area on the licensed premises, separate from nonsample products for resale, and be clearly identified as trade samples. Sample jars, as described in (4) of this section may be displayed and located on the counter for customers to be able to smell the sample. | Clarified that sample jars may be displayed at retailers near the corresponding product that is available for sale. |
| (1)(j)(vi) | Trade samples may not be provided as employee compensation, as an incentive, or reward. | Must not provide more than 30 sample units to any one employee within a calendar quarter. | Doubled the limit of permissible quarterly trade samples following stakeholder feedback. |
| (3) | Internal quality control sampling: Producers and processors may conduct limited self-sampling for quality control. All sample limits are based on calendar quarters. Consuming samples for quality control may not take place on the licensed premises. Only the producer, processor, or their paid employees may sample cannabis flower, useable cannabis, cannabisinfused products, cannabis concentrates, and edible cannabis-infused product. The producer or processor must record the amount of each sample and the employee(s) conducting the sampling in the state's traceability system. | Internal quality control sampling: Producers and processors may conduct limited self-sampling for internal quality control. Internal quality control samples are not the same type of samples referred to in WAC 314-55-101, which are submitted to laboratories for testing purposes as described in WAC 314-55-102 and 314-55-109. All internal quality control sample limits are based on calendar quarters. Consuming samples for internal quality control may not take place on the licensed premises. Internal quality control samples are not required to meet packaging and labeling requirements in 314-55 WAC. Only the producer, processor, or their paid employees may sample cannabis flower, useable cannabis, cannabis-infused products, cannabis concentrates, and edible cannabis-infused product. The producer or processor must record the amount of each sample and the employee(s) | Clarified that: 1. All references to quality control samples should instead state internal quality control samples. 2. Internal quality control samples are distinguishable from quality control samples described in WAC 314-55-101, which are submitted to a laboratory for testing purposes as described in WAC 314-55-102 and WAC 314-55-109. 3. Internal quality control samples are exempt from the packaging and labeling requirements applicable to trade samples in (1)(g)(ii). |

| | | conducting the sampling in the state's traceability system. | |
|-------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (3)(a) | Producers may sample up to 14 grams of cannabis per harvest, for internal quality control. | For purposes of this subsection an internal quality control sample unit means: | Language moved to (3)(b) and amended as discussed below. |
| (3)(a)(i) | N/A | One gram of cannabis flower | |
| (3)(a)(ii) | N/A | One gram of usable cannabis | These new definitions reflect |
| (3)(a)(iii) | N/A | 10 milligrams of THC in a cannabis infused product in edible or liquor form One gram of cannabis | the need to define unit size differently for internal quality control samples than for trade samples, given the different |
| (3)(a)(iv) | N/A | concentrate, including but not limited to, infused joints, vapor products, and dabs | audiences and purposes of the samples. |
| (3)(b) | Processors may sample up to eight units per batch of cannabis-infused product meant to be ingested orally or otherwise taken into the body to be offered for sale on the market for internal quality control. | Producers may provide up to 50 internal quality control sample units of cannabis flower per employee, per calendar quarter, for internal quality control. | Following stakeholder feedback, moving the metric away from a "per harvest" for producers and "per batch" for processors, towards a "per employee" for ease of applicability, increased |
| (3)(c) | Processors may sample up to 3.5 grams per batch of cannabis concentrates to be offered for sale on the market for internal quality control. | Processors may provide up to 50 internal quality control sample units of cannabis per employee, per calendar quarter for internal quality control. | flexibility, and reduce the possibility of disputes over what constitutes a "batch" or "harvest" and to ensure ease of enforceability. |
| (3)(c)(i) | N/A | Sample units may be provided to processor employees in any combination not to exceed a total of 50 units per calendar quarter. | Reflecting the move away from measuring by harvest or batch and towards a defined quantity per quarter approach. |
| (3)(c)(ii) | N/A | Processors may not provide any one employee more than 25 sample units of cannabis concentrates per calendar quarter. | Added to reflect the differences between concentrates and |
| (3)(c)(iii) | N/A | A one gram unit of cannabis concentrates may be a combination of any concentrate product. | other THC products. |
| (3)(d) | N/A | Licensees holding a producer and processor license at the same location are limited in providing a total of 50 internal quality control sample units combined per employee, per calendar quarter. | Added to address producer/processors and stating these licensees are still subject to the limit identified in (3)(c). |
| (4) | Sample jars: | Sample jars for retail display: | Language amended to clarify |
| (4)(a) | All sample jars must be labeled with the following: | All sample jars for retail display must be labeled with the following: | that sample jar labeling requirements apply to sample jars for trade samples for |
| (4)(a)(i) | Information identifying it as a sample jar; | Information identifying it as a sample jar for display purposes; | display purposes, to further distinguish from internal quality control samples. |
| (6) | N/A | By September 1, 2025, all samples previously identified as vendor or educational samples must be disposed of according to the standards identified in WAC 314-55-097. | Identifies a deadline by which all samples under the old regulatory scheme need to be disposed of, in addition to old labels and jars that are no longer compliant. |

Statutory authority for adoption: RCW 69.50.342; RCW 69.50.345.

Statute being implemented: None.

| Is rule necessary | because of a: | | | | | |
|----------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|--|--|--|
| Federal Law | ? | | ☐ Yes ⊠ No | | | |
| Federal Cou | rt Decision? | | ☐ Yes ⊠ No | | | |
| State Court Decision? □ Yes □ | | | | | | |
| If yes, CITATION: | | | | | | |
| Agency comment matters: None | s or recommendations, if any, | as to statutory language, implementation, | enforcement, and fiscal | | | |
| | nt: (person or organization) Wa nt: □ Private. □ Public. ☒ Gov | ashington State Liquor and Cannabis Board vernmental. | | | | |
| Name of agency p | personnel responsible for: | | | | | |
| - W | Name | Office Location | Phone | | | |
| Drafting Policy Manager | Daniel Jacobs, Acting Rules & | 1025 Union Avenue, Olympia WA, 98504 | 360-480-1238 | | | |
| Implementation Licensing | Becky Smith, Director of | 1025 Union Avenue, Olympia WA, 98504 | 360-664-1753 | | | |
| Enforcement & Edu | Paul Magerl, Interim Chief of ucation | 1025 Union Avenue, Olympia WA, 98504 | 360-664-1617 | | | |
| Is a school distric | t fiscal impact statement requ | ired under <u>RCW 28A.305.135</u> ? | ☐ Yes ☒ No | | | |
| If yes, insert staten | nent here: | | | | | |
| Name Address Phone Fax TTY Email Other | . , | rict fiscal impact statement by contacting: | | | | |
| Is a cost-benefit a | nalysis required under RCW 3 | <u>34.05.328</u> ? | | | | |
| | liminary cost-benefit analysis ma | ay be obtained by contacting: | | | | |
| Name | | | | | | |
| Address | | | | | | |
| Phone Fax | | | | | | |
| TTY | | | | | | |
| Email | | | | | | |
| Other | | | | | | |
| under RCW 34. requirements in | 05.328(5). The LCB is not a liste | ed rules do not qualify as a type of rule requiried agency under RCW 34.05.328(5)(a)(i), so the to the proposed rules unless voluntarily apunder RCW 34.05.328(5)(a)(ii). | he cost-benefit analysis | | | |
| | ess Act and Small Business Ed or's Office for Regulatory Innovat | conomic Impact Statement tion and Assistance (ORIA) provides support i | n completing this part. | | | |
| (1) Identification of | | | | | | |
| chapter 19.85 RCV | | y be exempt from requirements of the Regula exemptions, consult the exemption guide pub | | | | |
| adopted solely to c | conform and/or comply with feder is being adopted to conform or o | is exempt under <u>RCW 19.85.061</u> because this ral statute or regulations. Please cite the spec comply with, and describe the consequences to | ific federal statute or | | | |
| | | s exempt because the agency has completed of this proposed rule. | the pilot rule process | | | |
| ☐ This rule propos | defined by RCW 34.05.313 before filing the notice of this proposed rule. This rule proposal, or portions of the proposal, is exempt under the provisions of RCW 15.65.570(2) because it was adopted by a referendum. | | | | | |

| • | | | |
|-------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| ☐ This rule | proposal, or portions of the proposal, is exer | npt under <u>R</u> 0 | <u>CW 19.85.025(3).</u> Check all that apply: |
| | RCW 34.05.310 (4)(b) | | RCW 34.05.310 (4)(e) |
| | (Internal government operations) | | (Dictated by statute) |
| | RCW 34.05.310 (4)(c) | | RCW 34.05.310 (4)(f) |
| | (Incorporation by reference) | | (Set or adjust fees) |
| | RCW 34.05.310 (4)(d) | | RCW 34.05.310 (4)(g) |
| | (Correct or clarify language) | | ((i) Relating to agency hearings; or (ii) process |
| | | | requirements for applying to an agency for a license or permit) |
| ☐ This rule | proposal, or portions of the proposal, is exer | npt under Ro | CW 19.85.025(4). (Does not affect small businesses). |
| | proposal, or portions of the proposal, is exer | - | |
| | of how the above exemption(s) applies to the | • | |
| ☐ The rule☐ The rule☐ proposal, bu | | tion 3.) The electrical details here (| · · · · · · · · · · · · · · · · · · · |
| (3) Small bu | usiness economic impact statement: Comp | plete this sed | ction if any portion is not exempt. |
| If any portion on business | | impose mor | e-than-minor costs (as defined by RCW 19.85.020(2)) |
| These costs tracking. Ad once effective under the property Using NAIC (NAICS) des (except must https://www.example of a | s may be partly offset by the elimination of the ditionally, there may be costs associated with ve. A runoff period until September 1, 2025 is revious regulations, to minimize financial loss. S code 111419 for cannabis grown under coveribes this code for "This U.S. industry competing under glass or protective cover." The census.gov/naics/?input=cannabis&year=202 a business that uses this code. | e need for sp n destroying of identified in to the indus- ver, the US Corises establise US Census 22&details=1 | 111419, identifies cannabis grown under cover as an |
| System (NA following: (1 nursery, and crops (exceptamily of crogathering te https://www. | ICS) describes this code for "This U.S. indust) growing crops (except oilseeds and/or graind/or floriculture products; tobacco; cotton; sugpt a combination of oilseed(s) and grain(s); an accounting for one-half of the establishment or maple sap." The US Census NAICS code | try comprises s; vegetable parcane; hay not a combina ent's agricultue description | IS Census North American Industry Classification is establishments primarily engaged in one of the establishments primarily engaged in one of the establishments; fruits and/or tree nuts; greenhouse, sugar beets; or peanuts); (2) growing a combination of ation of fruit(s) and tree nut(s)) with no one crop or cural production (i.e., value of crops for market); or (3) in at 111998 identifies cannabis grown in an open field as an |
| comprises e beans, lives https://www. | stablishments primarily engaged in the merch tock, raw milk, live poultry, and fresh fruits an | hant wholesand vegetables | S Census NAICS describes this code for "This industry ale distribution of farm products (except grain and field s)." The US Census NAICS code description at 124590 identifies cannabis merchant wholesalers, as an |
| comprises e smokers' su https://www. | stablishments primarily engaged in retailing opplies." The US Census NAICS code descrip | cigarettes, ele tion at 022&details= | ICS describes this code for "This U.S. industry ectronic cigarettes, cigars, tobacco, pipes, and other 459991 identifies marijuana stores, medical or |

LCB applied a default estimated compliance cost when analyzing whether the rules would have a disproportionate impact on small businesses as defined in RCW 19.85.020(3). LCB used a generous default estimate of \$2,000.00.

Per RCW 19.85.020(2), a minor cost means a cost per business that is less than three-tenths of one percent of annual revenue or income, or one hundred dollars, whichever is greater, or one percent of annual payroll.

According to Department of Revenue data from 2023, the total gross business income for NAICS code 459991 was \$647,617,610 for 493 businesses. That produces an average annual gross business income of \$1,313,625.98. Three-tenths of one percent of \$1,313,625.98 is \$3,940.877, rounding up to \$3,940.88. Date from 2023 was used instead of 2024 because 2023 is the last complete year for which data was available. As of January 9, 2025, the only data from 2024 available from DOR was for the first two quarters of 2024.

The remainder of the date is provided by reference to the minor-cost threshold calculator provided by the Office of Regulatory Innovation & Assistance available at

https://www.oria.wa.gov/Portals/_oria/VersionedDocuments/RFA/Regulatory_Fairness_Act/Minor-Cost-Threshold-Calculator.xlsx

| 2022 Industry NAICS Code | Estimated Cost of Compliance | Industry Description | NAICS Code Title | Minor Cost Estimate | 1% of Avg Annual Payroll (Threshold) | 0.3% of Avg Annual Gross Business Income (Threshold) |
|-----------------------------------|------------------------------------|----------------------------------------------------|---------------------------------------------------------------------|------------------------|------------------------------------------------|---------------------------------------------------------------|
| 111419 | \$2,000.00 | Cannabis, grown under cover | Other Food Crops Grown Under Cover | \$3,259.51 | \$3,259.51 2021 Dataset pulled from ESD | \$3,195.50 2021 Dataset pulled from DOR |
| 111998 | \$2,000.00 | Cannabis, grown in an open field | All Other Miscellaneous Crop Farming | \$11,775.64 | \$11,775.64 2021 Dataset pulled from ESD | \$2,882.31 2021 Dataset pulled from DOR |
| 424590 | \$2,000.00 | Cannabis merchant wholesalers | Other Farm Product Raw Material Merchant Wholesalers | \$8,809.55 | \$3,948.77 2021 Dataset pulled from ESD | \$8,809.55 2021 Dataset pulled from DOR |
| 459991 | \$2,000.00 | Marijuana stores, recreational or medical | Tobacco, Electronic Cigarette, and Other Smoking Supplies Retailers | \$3,940.88 | Unavailable* | \$3,940.88 2023 Dataset pulled from DOR |

As the table demonstrates, the estimated cost of compliance does not exceed the threshold for any of the potential NAICS codes applicable to cannabis licensees. Therefore, implementation of this amended rule is not anticipated to result in more than minor costs on businesses as defined in RCW 19.85.020(2).

DOR – Washington State Department of Revenue.

ESD - Employment Security Department Washington State

DOR data available at

https://apps.dor.wa.gov/ResearchStats/Content/GrossBusinessIncome/Results.aspx?Year=2023Q4,2023Q3,2023Q2,2023Q1,&Code1=450000&Code2=460000&Sumby=n6&SicNaics=2&Format=HTML

| * - Av | erage annual | l payroll dat | a was unavai | lable due to | confidentiality | with other | state agency data |
|--------|--------------|---------------|--------------|--------------|-----------------|------------|-------------------|
|--------|--------------|---------------|--------------|--------------|-----------------|------------|-------------------|

☐ Yes Calculations show the rule proposal likely imposes more-than-minor cost to businesses and a small business economic impact statement is required. Insert the required small business economic impact statement here:

The public may obtain a copy of the small business economic impact statement or the detailed cost calculations by contacting:

Name Daniel Jacobs, Acting Policy & Rules Manager Address PO Box 43080, Olympia, WA 98504-3080 Phone 360 480 1238 Fax 360 704 5027

TTY

Email rules@lcb.wa.gov

Other

| Date: January 29, 2025 | Signature: Place signature here |
|------------------------|----------------------------------|
| Name: Jim Vollendroff | Tiace signature fiere |
| Title: Board Chair | |

- WAC 314-55-096 ((Vendor, educational)) Trade samples, retail display samples, and internal quality control samples. (1) ((Vendor)) Trade samples: ((Producers or processors may provide free)) Trade samples are samples of useable cannabis, cannabis-infused products, and cannabis concentrates ((to negotiate)), as described in this section, provided for free for the purpose of negotiating a sale and providing education to budtenders engaged in selling cannabis products at retail.
- (a) Trade samples may be provided by a producer to a processor, or by a processor to a retailer.
- (b) Trade samples must be provided free of charge to the receiving licensee.
- (c) Trade samples may only be provided to a licensee that has requested the trade sample or is consenting to receiving the trade sample.
 - (d) Trade samples may be used for:
- (i) Negotiating a sale on product ((the retail licensee does not currently carry. All vendor sample limits are)) not currently carried by the cannabis licensee;
- (ii) Educating budtenders on new products the cannabis retailer has not previously offered for sale to the public; and
- (iii) Educating new budtenders on existing products the retailer sells.
 - (e) A trade sample unit must:
- (i) Be representative of the product being offered for sale on the market;
- (ii) Not be larger than the smallest unit offered for individual sale at retail;
 - (iii) Not exceed the following amounts per unit:
 - (A) 3.5 grams of cannabis;
 - (B) One gram of cannabis concentrate;
- (C) 100 milligrams of cannabis-infused product in solid or liquid form meant to be ingested orally, applied topically, or otherwise taken into the body containing not more than 10 milligrams of active delta-9 THC per serving consistent with the limits provided in WAC 314-55-095.
- (f) The limits on the amount of trade samples offered to cannabis licensees are based on calendar ((months)) quarters.
- (i) Producers may not provide any one licensed processor more than 96 trade sample units of cannabis flower per calendar quarter.
- (ii) Processors may not provide any one licensed retail business more than 120 trade sample units of any combination of useable cannabis, cannabis concentrates, or cannabis-infused products per calendar quarter.
 - (g) The producer or processor must:
- (i) Record the amount of each ((vendor)) trade sample provided by product type and the ((processor or retailer receiving the sample)) trade name of the receiving licensee in the state's traceability system((. The outgoing sample must be clearly labeled));

 (ii) Clearly label each outgoing sample as a "((vendor)) trade
- (ii) Clearly label each outgoing sample as a "((vendor)) trade sample" ((to negotiate a sale and recorded)) and itemize trade samples on a separate transport manifest from products intended for resale;

- All trade samples must be packaged and labeled in accordance with the requirements in chapter 314-55 WAC, and include an additional label affixed to the package with the following statement in a style or type of lettering that is bold, clear, and conspicuous when compared with other type, lettering or graphics, and does not obscure other required labeling information: "TRADE SAMPLE NOT FOR RESALE OR DONATION."
- (iii) Locate and store all trade samples in a designated area on the licensed premises, separate from nonsample products being sold to another licensee;
- (iv) Not provide trade samples as a condition for a retailer to purchase the producer or processor's products or in any manner that would cause undue influence over another licensee or industry member;
- (v) Provide the licensee receiving trade samples of cannabis with the certificate of analysis for all quality assurance and quality control tests conducted on the lot or batch from which the sample was derived;
- (vi) Disclose all chemicals applied to the growing medium and the plants during production and or processing as applicable including, but not limited to, pesticides, fungicides, herbicides, rodenticides, nutrients, fertilizers, and pH control; and (vii) Disclose all solvents and other chemicals, that were used
- (vii) Disclose all solvents and other chemicals, that were used during the processing of a cannabis concentrate or cannabis-infused product including, but not limited to, additives and ingredients.
- $\underline{\text{(h)}}$ The receiving licensee must receive the (($\frac{\text{vendor}}{\text{vendor}}$)) $\underline{\text{trade}}$ sample in the traceability system prior to sampling.
- ((\(\frac{(a) Vendor}{)}\)) (i) Trade samples may only be given to and used by licensees or current paid employees of ((\(\frac{licensees who have product ordering authority or employees who provide input on product to licensees or employees of licensees who have purchasing authority to inform purchasing decisions)) the licensee as detailed in a \(\frac{licensee's}{s}\) written business policy.
- (((b) Producers may not provide any one licensed processor more than eight grams of cannabis flower per month free of charge for the purpose of negotiating a sale.
- (c) Processors may not provide any one licensed retailer more than eight grams of useable cannabis per month free of charge for the purpose of negotiating a sale.
- (d) Processors may not provide any one licensed retailer more than eight units of cannabis-infused products in solid form meant to be ingested orally or otherwise taken into the body per month free of charge for the purpose of negotiating a sale. No single unit may exceed 10 mg of THC.
- (e) Processors may not provide any one licensed retailer more than eight units of cannabis-infused product in liquid form meant to be eaten, swallowed, or otherwise taken into the body per month free of charge for the purpose of negotiating a sale. No single unit may exceed 10 mg of THC.
- (f) Processors may not provide any one licensed retailer more than eight units of cannabis-infused products meant to be applied topically per month free of charge for the purpose of negotiating a sale.
- (g) Processors may not provide any one licensed retailer more than two units of cannabis-infused extract meant for inhalation or infused cannabis mix per month free of charge for the purpose of negotiating a sale. No single unit may exceed 0.5 g.
- (h) A cannabis producer must make quality assurance test results available to any processor receiving samples to negotiate a sale. The

[2] OTS-5756.4

producer must also provide a statement that discloses all pesticides applied to the cannabis plants and growing medium during production.

- (i) A cannabis processor must make quality assurance test results available to any retailer receiving samples to negotiate a sale. If a cannabis 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.
- (j) 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.
- (i) The unique identifier number generated by the traceability system;
- (ii) The UBI number of the licensed entity providing the sample; and
- (iii) Weight of the product in ounces and grams or volume as applicable.
- (2) Education sampling. Processors)) Trade samples may not be sold, nor provided as employee compensation, incentive, or reward. Trade samples may only be given free of charge to paid employees of the licensed business.
 - (j) Cannabis retailers:
- (i) Must not require a producer or processor to provide free trade samples as a condition for purchasing a licensee's products or in any manner that would cause undue influence over another licensee or industry member.
- (ii) Must locate trade samples in a designated area on the licensed premises, separate from nonsample products for resale, and be clearly identified as trade samples. Sample jars, as described in subsection (4) of this section, may be displayed and located on the counter for customers to be able to smell the sample.
- <u>(iii)</u> May provide free <u>trade</u> samples of useable cannabis, cannabis-infused products, and cannabis concentrates to ((retail licensees to give to the licensee's)) <u>current paid</u> employees ((for educational purposes. Products being sampled must be carried by)) <u>of</u> the licensed retailer. ((The processor))
- (iv) Must track all incoming and outgoing trade sample inventory in the state traceability system by product type.
- (v) Must record the <u>sample</u> amount ((of each sample and the retailer receiving the sample)) being provided to each employee in the traceability system including the product type and the name of the employee receiving the sample. ((The outgoing sample must be clearly labeled as "education sample" and recorded on a transport manifest. Once the retailer receives the))
- (vi) Must not provide more than 30 trade sample((, the retailer must accept the sample in the traceability system prior to distributing samples to the retailer's employees. All employees at a licensed retail location who receive educational samples must be entered into the traceability system for the purpose of distributing education samples.
- (a) Retailers are restricted to receiving a maximum of 100 sample units per calendar month. No more than 10 sample units may be provided to any one employee per calendar month.
 - (b) The maximum size of education samples are:
- $\frac{\text{(i)}}{\text{Useable cannabis, cannabis mix, and infused cannabis mix}}$ One unit not to exceed 0.5 g.

[3] OTS-5756.4

- (ii) Cannabis infused solid or liquid product meant to be ingested orally or otherwise taken into the body One unit not to exceed 10 mg THC.
- (iii) Cannabis-infused extract for inhalation One unit not to exceed 0.25 g.
- (iv) Cannabis-infused products for topical application One unit not to exceed 16 ounces.
- (c) 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.
- (d) Cannabis retail licensees are prohibited from providing educational samples to their employees as a form of compensation.
- (e) A cannabis processor must make quality assurance test results available to any retailer receiving education samples. If a cannabis 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 "education sample" and include the following information on the label:
- (i) The unique identifier 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 useable cannabis;
- (iv) Weight of the product in ounces and grams or volume as applicable; and
 - (v) Potency labeled as required under WAC 314-55-105.
- (3) A cannabis processor is not required to provide free samples to negotiate a sale or educational samples to a cannabis retail licensee, and a cannabis retail licensee may not require a cannabis processor to provide free sample to negotiate a sale or educational samples as a condition for purchasing the cannabis processor's products.
 - (4))) units to any one employee within a calendar quarter.
 - (2) Retailers may not provide free samples to customers.
- (3) Internal quality control sampling: Producers and processors may conduct limited self-sampling for internal quality control. Internal quality control samples are not the same type of samples referred to in WAC 314-55-101, which are submitted to laboratories for testing purposes as described in WAC 314-55-102 and 314-55-109. All sample limits are based on calendar ((months)) quarters. Consuming samples for internal quality control may not take place ((at a)) on the licensed premises. Internal quality control samples do not need to comply with packaging and labeling requirements in chapter 314-55 WAC. Only the producer, processor, or their paid employees ((of the licensee)) may sample ((the)) cannabis flower, useable cannabis, cannabis-infused products, cannabis concentrates, and edible cannabis-infused product. The producer or processor must record the amount of each sample and the employee(s) conducting the sampling in the state's traceability system.
- (a) For purposes of this subsection, an internal quality control sample unit means:
 - (i) One gram of cannabis flower;
 - (ii) One gram of useable cannabis;

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- (iii) 10 mg of THC in a cannabis-infused product in edible or liquor form;
- (iv) One gram of cannabis concentrate including, but not limited to, infused joints, vapor products, and dabs;
- (b) Producers may ((sample two grams)) provide up to 50 sample <u>units</u> of cannabis ((flower)) per ((strain, per month)) <u>employee</u>, <u>per</u> <u>calendar quarter</u>, for <u>internal</u> quality ((sampling)) <u>control</u>.
- $((\frac{b}{b}))$ <u>(c)</u> Processors may ((sample one unit per batch of a new cannabis-infused product meant to be ingested orally or otherwise taken into the body to be offered for sale on the market .
- (c) Processors may sample up to one unit per batch of a new cannabis-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 cannabis mix packaged to be offered for sale on the market. No single sample may exceed 1 q.
- (e) Processors may sample one unit per batch of a new infused cannabis mix to be offered for sale on the market. No sample may exceed 0.5 g.
- (f) Processors may sample one unit per batch of a new cannabisinfused product for topical application to be offered for sale on the market. No sample may exceed 16 ounces.
 - (5) Retailers may not provide free samples to customers.
- $\frac{(6)}{(6)}$)) provide up to 50 internal quality control sample units per employee, per calendar quarter, for internal quality control.
 (i) Sample units may be provided to processor employees in any
- combination not to exceed a total of 50 units per calendar quarter.
- (ii) Processors may not provide any one employee more than 25 sample units of cannabis concentrates per calendar quarter.
- (iii) A one gram unit of cannabis concentrates may be a combination of any concentrate product.
- (d) Licensees holding a producer and processor license at the same location are limited in providing a total of 50 internal quality control sample units combined per employee, per calendar quarter.
 - (4) Sample jars for retail display:
- (a) All sample jars for retail display must be labeled with the following:
- (i) Information identifying it as a sample jar for display purposes;
- (ii) The UBI number of the licensed entity providing the sample; <u>and</u>
- (iii) Weight of the product in ounces and grams or volume as applicable.
- (b) A processor may provide a retailer free samples of useable cannabis packaged in a transparent sample jar protected by a plastic or metal mesh screen to allow customers to view and smell the product before purchase. The sample jar may not contain more than ((three and one-half)) 3.5 grams of useable cannabis. 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.
- (c) Neither the sample jar ((and)) or the useable cannabis within may ((not)) be sold, transferred, given away, or otherwise provided to a customer ((and must be returned to the licensed processor who provided the useable cannabis and sample jar.
- (b) Sample jar labeling: All sample jars must be labeled with the following:

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- (i) The unique identifier number generated by the traceability system;
- (ii) Information identifying whether it is a vendor sample or sample jar;
- (iii) The UBI number of the licensed entity providing the sample; and
- (iv) Weight of the product in ounces and grams or volume as applicable.
- (c) A cannabis 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 cannabis plants and growing medium during production.
- (d) If a cannabis 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)).
- (d) Any useable cannabis no longer needed for display in sample jars may either be:
- (i) Given to paid employees of the retailer free of charge. The sample amount must be recorded in the state's traceability system and will count towards the employees maximum sample limit described in (1) (j) (vi) of this section;
- (ii) Disposed in accordance with the requirements in WAC 314-55-097 and recorded in the state's traceability system, consistent with WAC 314-55-083; or
- (iii) Returned to the processor that provided the sample, to be disposed in accordance with WAC 314-55-097 and recorded in the state's traceability system, consistent with WAC 314-55-083.
- $((\frac{7}{}))$ <u>(5)</u> **Transportation.** Outgoing and return $(\frac{\text{vendor}}{})$ <u>trade</u> samples and sample jars must adhere to the transportation requirements in WAC 314-55-085.
- (6) By September 1, 2025, all samples previously identified as vendor or educational samples must be disposed of according to the standards identified in WAC 314-55-097.

[6]

OTS-5756.4

From: <u>Jill Johnson</u>

To: Jacobs, Daniel (LCB); LCB DL Rules

Subject: Re: Proposed new rules regarding samples

Date: Wednesday, August 14, 2024 2:33:20 PM

External Email

Daniel,

While I appreciate your quick response, I am still unclear on whether or not the new proposed rule would limit samples to 15 per employee, per quarter? Thank you as well for all the other additional information, I will be sure to follow up and make sure my comrades do as well. I hope you at the LCB are having a great week so far.

Sincerely,

Jillian Johnson

Sent from my T-Mobile 5G Device Get <u>Outlook for Android</u>

From: Jacobs, Daniel (LCB) <daniel.jacobs@lcb.wa.gov>

Sent: Wednesday, August 14, 2024 2:16:18 PM

To: Jill Johnson <jilliankate91@hotmail.com>; LCB DL Rules <rules@lcb.wa.gov>

Subject: RE: Proposed new rules regarding samples

Jill:

Thank you so much for providing your comment on the CR 102 (Proposed Rule Making) on Cannabis Samples. Your input is valuable, and we will save your comment as part of our official rulemaking file. If we have any questions we will follow up by email.

Your comment will be included in the CR 103 to be filed in the future with the Concise Explanatory Statement. Per RCW 34.05.325(6)(b), you will receive a copy of the Concise Explanatory Statement when the CR 103 is filed.

WAC 314-55-096(2)(d) prohibits retailers from providing educational samples to their employees as a form of compensation.

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rulemaking activities. To get timely updates from LCB, please <u>sign up</u> to be on our GovDelivery email distribution list (select the Rulemaking option along with any other topic of interest).

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The public hearing on this rule proposal is scheduled to occur on September 25, 2024, at 10 a.m. during the Board meeting scheduled for that day.

Thank you again for reaching out!

Daniel Jacobs, Esq. (he/him/his)
Rules & Policy Coordinator
Washington State Liquor and Cannabis Board
Daniel.jacobs@lcb.wa.gov
Mobile: (360) 480-1238



DISCLAIMER: The information provided above does not, and is not intended to, constitute legal advice; instead, all information, content, and materials included are done so in the scope of my employment as Policy & Rules Coordinator with the Washington State Liquor & Cannabis Board (LCB).

From: Jill Johnson <jilliankate91@hotmail.com>
Sent: Wednesday, August 14, 2024 2:07 PM

To: LCB DL Rules <rules@lcb.wa.gov>

Subject: Proposed new rules regarding samples

External Email

Hi.

I just want to clarify so I can make sure I am reading this correctly. You want to limit samples to 15

per employee, per quarter? As in, licensee employees will get 25 samples every 3 months? If so, that absolutely will not work, especially considering the amount that vendors will still be allowed to provide retailers. Samples will be degraded and useless because they will be able to be given out in the proper amount of time. Samples are also hugely important to employees, none of them make enough and samples help keep them afloat between checks. Limiting them this much will result in huge turn around for processors and retailers. It won't be good.

Sent from my T-Mobile 5G Device Get <u>Outlook for Android</u> From: <u>Libby Rindal</u>
To: <u>LCB DL Rules</u>

Subject: Comment re: NOTICE OF PROPOSED RULES WSR 24-17-051

Date: Wednesday, August 14, 2024 2:45:16 PM

External Email

Hello! I am viewing the memorandum attached to this email regarding proposed changes to samples.

I agree with most of what has been said. Moving to a "trade sample" or other **single** product type for vendor/edu samples sounds entirely reasonable and less confusing for retailers. I also agree that the sample size limits could be adjusted to allow for better education and likelihood of sales. However - as a small farm owner/operator - the following suggestion sounds like it is coming from a less informed place:

"Suggestion: allow producers and processors to add on additional units to any retail order for the purpose of educational samples. This would prevent producers and processors from having to create an entirely new product just for the purpose of samples. O This would allow producer/processors to use their current inventory."

This is worded as though it is labor or cost prohibitive to create new skus, but we all create new skus all day long. We already have to generate new products and barcodes (SKUs) just about every time we interact with our inventory. If the goal is to "simplify" the process, I am not sure how just throwing an extra unit on that is a sample but is included in the same sku would be helpful at all, and if we aren't generating separate skus for samples, wouldn't there be too much plausible deniability if there is shrinkage to account for in the shop? "Oh there was only 2 samples in that case of eighths? we took 4."

I also have comments about the following suggestion:

"Placing the restriction on the retailer can be overly burdensome and confusing for licensees. Retailers are manifested samples all the time and could potentially unknowingly accept samples putting them over the limit. Or they often must reject samples. O Suggestion: Place the limit on producer/processors - for example no producer/process can give more than 50 sample units per retailer per month."

I am concerned that this will negatively impact small farms. If retailers are manifested samples and are "potentially unknowingly accepting samples that put them over the limit," I don't see why their noncompliance and lack of employee training should result in a consequence that limits a farm's ability to give retailers what we have to give them in order to earn their business. In order for us to "land a shop," we must provide them free vendor samples. While I do see a number like "50 sample units per retailer per month," as a number way higher than I would be likely to send to a single shop per month, my concern lies with how this could possibly be construed. If limits of this kind are placed on producer/processors, I really really hope it is approached with producer/processor's day to day operations in mind. If we are limited in what we can send OVERALL, we will be unable to adequately sample potential new retailers and we will continue to struggle financially and lose more and more tier 1 and

tier 2 producers.

Internal sampling rules are too restrictive for producer/processors. 2g per strain, per month is pretty bottom of the barrel, especially if producers are only producing a few genetics. I believe that my employees deserve to access the goods that they produce without having to go to a store to get it, and it is really sad to see our industry 10 years in, still encouraging worker's alienation from their labor. It's pretty standard for producer/processors to produce 3.5g units and 7g units of their flower, and I don't see why I can't sample my team more than 2g of a strain per month. I feel that we are still being treated as criminals on a short leash, and I would hope that we've proven ourselves trustworthy enough by now to be able to personally consume the goods we produce without having to go and pay the retail markup.

Something I did not see mentioned re: sampling is the fact that retailers have no obligation to pass on samples to their employees. We send educational samples to educate the budtenders, and I have heard from many budtenders that samples sit in the safe, only go to favored employees, or are used as perks when someone "does a good job." We are VERY limited as per WSLCB laws in how we can interact with and advertise to consumers, we already aren't making enough revenue at the price points we are at, and we are sending free of cost product to shops, intended for budtenders, that never makes it to them. Suggestion? Amend the rules so that shops are *required* to sample out their employees within a reasonable number of days after receiving educational samples. Leave room for shops to defer this if they are suspicious of the samples, and allow them to return, destroy or test with a licensed lab first. Ultimately, shops can reject samples at any time. If the *educational samples* are not being used to *educate* the people who are expected to sell it, retailers should not be accepting them. This is especially important for small farms that may be running higher price points in order to cover the costs related to producing a high quality, small batch product. We sell products at a price point that most budtenders can not afford with the wages they make, and we send educational samples so that those budtenders can have some confidence when recommending a more expensive product to a customer. If they can not try the product, why would they recommend it?

Hopefully more farmers chime in on this. Ultimately, farmers are the backbone of the industry, despite how "clueless" some retailers might think we are. Please consider the potential consequences for the little guys that we all claim we want to uplift. Thank you for your time.

--

Libby Rindal Operations Manager <u>Lilac City Gardens</u> o: 509.244.6390

c: 509.385.4100

Check out our GrowFlow marketplace!

From: Natasha Carlson
To: LCB DL Rules

Subject: Comments on Amending WAC 314-55-096 **Date:** Wednesday, August 14, 2024 3:33:49 PM

External Email

Hi.

I'm the Store Manager at Anacortes Cannabis, in Anacortes. I received the notice about changing sampling rules and I wanted to submit some feedback.

Currently we are limited to 100 budtender sample units. We employ 13 budtenders, so each month they are only allowed to get 7 samples with 9 of them getting 8 samples for the month. We also carry over 50 different brands. I do wish the limit was based on how many people you employ vs the store as a whole. I also feel like the 10 per person maximum is too low. We like our staff to be able to properly recommend products to customers and it makes it challenging when the amount of samples is so low. It leaves the staff having to purchase more products out of pocket to be able to recommend products for customers.

Also the size limitations are too small. .5g unit of usable marijuana isn't very much and sometimes doesn't give a proper insight to a product's quality. A single 10mg edible or edible liquid also isn't enough to give insight to a product's quality. Most of my staff use cannabis regularly and see no effect from a 10mg dosage.

When it comes to vendor samples we find the same issues, in the number of units we are able to receive and in the size/dosage of the units.

Thank you for your time and I hope the feedback helps!

~Natasha

From: Monty Newman

To: <u>Laflamme, Denise M (LCB)</u>

Cc: LCB DL Rules

Subject: Re: Cannabis Sampling - Proposed Rule Making Comments

Date: Wednesday, August 14, 2024 5:01:04 PM

External Email

Thank you for the quick response!

If possible, I would like to add one more comment:

This comment ties into the third point that I made in my previous email, regarding quarterly sample limits for retail employees. Not only is 15 samples per employee per quarter an extremely low limit, but the 120 unit sample limit per quarter for producers and processors is also a very low limit. Most producers and processors work with stores all over the state of Washington (sometimes up to 100 to 200 retail locations, if not more), with some of these stores having 30 or more employees for a given location. Limiting producers and processors to 120 samples per quarter would make it nearly impossible to get Impactful educational samples into the hands of employees at retail stores.

For example, let's say a processor works with 60 retail stores that all have 5 employees each (this is on the low end for the number of accounts that vendors work with and also the low end for number of employees at a retail store). That is 300 employees in total. With the current 120 unit sample limit per quarter that is being considered, it would take 6 months to get a single sample into only 240 of these employees hands. That 120/quarter limit would throttle educational opportunities for retail employees and make it nearly impossible to make an impact when sampling products as a producer/processor.

Thanks again for taking my comment,



On Wed, Aug 14, 2024 at 4:35 PM Laflamme, Denise M (LCB) <denise.laflamme@lcb.wa.gov> wrote:

Monty:

Thank you so much for providing your comment on the CR 102 (Proposed Rule Making) on

Cannabis Samples. Your input is valuable, and we will save your comment as part of our official rulemaking file. If we have any questions we will follow up by email.

Your comment will be included in the CR 103 to be filed in the future with the Concise Explanatory Statement. Per RCW 34.05.325(6)(b), you will receive a copy of the Concise Explanatory Statement when the CR 103 is filed.

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Thank you again for reaching out!

Denise

Denise Laflamme MS, MPH | she/her

Rules Coordinator

Washington State Liquor and Cannabis Board (LCB)

Denise.Laflamme@lcb.wa.gov

Mobile: 360-819-0452



From: Monty Newman < monty@heylocannabis.com >

Sent: Wednesday, August 14, 2024 4:22 PM To: LCB DL Rules rules@lcb.wa.gov

Subject: Cannabis Sampling - Proposed Rule Making Comments

External Email

To whom it may concern,

I am so excited to hear that the LCB is considering making changes to the current sampling regulations. After reviewing the proposal, I have a few initial comments that I would like to share:

- 1. I am very excited to hear that the LCB is considering unifying both vendor and EDU samples to a single category. I believe that this will make the sampling process more streamlined and easier to navigate, especially for traceability and compliance.
- 2. I am also happy to hear that you are considering "representative sample sizes". The current volume limits, especially for cartridges and edibles make it incredibly difficult for industry employees to have meaningful and impactful experiences when sampling products. However, I would like to see 1g cartridge samples (the most common volume of cartridge sold in WA) allowed as a trade sample. This is what most consumers are buying, and it would have the greatest and most meaningful impact when sampling products.
- 3. One of the biggest concerns that I took away from the proposal was the limiting of 15 trade samples per employee per quarter. Most employees that work in I-502 consume

a large volume of cannabis. 5 trade samples per month is an extremely low limit. Given how many brands that a store can carry at a given time, it will be very challenging for retail employees to be able to try the products that they are selling with such a low limit. I would at least double that amount to 10 units/month or 30 units/quarter to allow for more impactful sampling. With the limit set at 15 units/quarter, what is stopping a larger producer or processor from filling up the sampling limits for each store, resulting in no sampling opportunities for smaller companies, or those that do not always have product available to sample. If the goal of the samples is to allow for educational opportunities so retail staff can experience and speak to the products that they carry, the limits should be more reasonable to allow for sampling opportunities from all vendors and more accessibility for retail employees (most of whom cannot afford to purchase many of the products that they sell).

Thank you for allowing me to share this feedback,

__

Monty Newman | Customer Success (650) - 281- 6853

www.heylocannabis.com
You're Invited: Heylo Tour Sign Up

Heylo Vendor Day Policy

From: Jennifer Mohr
To: LCB DL Rules

Subject: Comments/questions for proposed rules WSR 24-17-051

Date: Monday, August 19, 2024 12:58:19 PM

External Email

Will this revision remove the limits on specific types of samples per licensee? (i.e. 8 liquid infused edibles per calendar month)

The "C) 100 milligrams of cannabis-infused product in solid or liquid form meant to be ingested orally, applied topically, or otherwise taken into the body containing not more than 10 milligrams of active delta-9 THC per serving consistent with the limits provided in WAC 314-55-095." needs greater clarity. Does 100mg refer to total cannabinoids, product weight, maximum the in the batch (up to 10 10mg servings)? Thank you,



"Be passionate about solving the problem, not proving your solution." – Nathan Furr "The least questioned assumptions are often the most questionable." – Paul Broca CONFIDENTIALITY NOTICE: The contents of this email message and any attachments are intended solely for the addressee(s) and may contain confidential and/or privileged information and may be legally protected from disclosure. If you are not the intended recipient of this message or their agent, or if this message has been addressed to you in error, please immediately alert the sender by reply email and then delete this message and any attachments. If you are not the intended recipient, you are hereby notified that any use, dissemination, copying or storage of this message or its attachments is strictly prohibited.

From: Michael Shelby
To: LCB DL Rules

Subject: Sample Limitations for Dispensaries

Date: Wednesday, August 21, 2024 8:33:28 AM

External Email

I am writing to address the proposed sample limitation changes to cannabis dispensaries and the employees. The amount suggested will limit and inhibit our ability to properly know the effects, flavors, and medical benefits of products based solely on the amount of product that comes in the store, the number of vendors not in our store that we need to evaluate to see if their products are a good fit for our store.

Alcohol has been proven over and over to be significantly more dangerous than cannabis, like almost zero with cannabis to alcohol which has no limitations to amounts purchased, sampled, what have you, and cause serious health issues, addiction issues, and death. What is even the logic behind this?

As far as legal states go it has been embarrassing to be associated with Washington State, we are the strictest legal state in the country, and we were one of the first!

There is no science to back any limitations or concerns when it comes to cannabis, and our continuing draconian state laws regarding it are a hinderance not only to the dispensaries, but the farms, the producers, etc... Focus on things like making sure making sure cannabis is grown in a healthy, chemical free environment, for human consumption.

There is nothing stopping me from cleaning out the shelves at Total Wine and drinking myself to death in a single day. I challenge you to find a single death or serious health concern related to Cannabis only. You can't because it doesn't exist. I follow the science very closely, and to say cannabis is dangerous is not only an outdated thought due to racism and lobbyist money, but there is no science behind the statement whatsoever, and this has been proven again and again.

I urge the state of Washington to start thinking with logic and science and make sensible rules that actually have science to back its decisions.

Thank you,

Michael Shelby

From: <u>Esia Delena</u>
To: <u>LCB DL Rules</u>

Cc: <u>Jones, Doug (LCB)</u>; <u>Smith, Michael (LCB)</u>

Subject: LCB Board Action: Cannabis Rulemaking - Proposed Rules on Cannabis Samples (WAC 314-55-096)

Date: Tuesday, September 3, 2024 11:44:58 AM

Attachments: Outlook-ib5rhlqf.pnq

Outlook-b4uols35.pnq Outlook-bueqq1kb.pnq Outlook-20ceoyvd.pnq Outlook-yb1340m4.pnq

External Email

Hello, Had a couple questions. I was reading through the proposed rules filed for cannabis samples rulemaking. I understand its proposed rules and the public comment period is now open and could possibly be modified before going into rules, but could you please provide clarification, the questions are in black/bold below please? thank you so much,

- Employee Sampling: Employees can receive up to 15 sample units per calendar quarter. Would it be 15 max sample units per processor per employee? Or can the employee only receive a grand total of 15 total samples per calendar quarter?
- Limits on Samples: Processors may provide up to 120 trade sample units per calendar to retailers per quarter. Would it be 120 trade sample units per processor? Or grand total trade samples is 120 units per calendar quarter to retail licensee?

Best regards,
Esia deLeña
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October 8th, 2024

TO:

Cassidy West Policy and Rules Manager Washington State Liquor and Cannabis Board

CC:

Justin Nordhorn Will Lukela, Director

FROM:

Vicki Christophersen Executive Director Washington CannaBusiness Association

Dear Ms. West,

As you know, the Washington CannaBusiness Association (WACA) represents Washington's licensed and regulated cannabis businesses of all kinds. As the longest-established trade association for cannabis businesses in the state, we are committed to establishing a safe, quality-controlled, fully regulated system that works to keep cannabis away from kids while keeping an eye on the horizon for what's next. We appreciate the opportunity to provide feedback on the CR-102 updating regulations regarding vendor, educational, and internal quality samples in WAC 314-55-096. WACA was happy to submit the petition for rulemaking in July of 2022 on behalf of our members who have expressed for years the need to update these rules.

Our members have had time to review the CR-102 language and have the following suggestions for your consideration.

- 1. Internal quality control sample limits need to account for varying license tiers and growing methods.
 - a. The current language in the CR-102 limits internal quality control samples for producers to 14 grams per harvest per quarter. The proposed limits are far too restrictive, especially for an outdoor grow that could potentially do only one harvest a year. Additionally, "harvest" is defined differently depending on the ruleset and we have seen confusion on whether the word "harvest" is being used as a noun or a verb. WACA suggests that the internal quality control samples for producers be available for each strain and harvest. Indoor grows, for example, are typically growing plants on a 12 week cycle which means that there are constantly new plants being cut down, dried and cured. It is necessary to sample each of these for quality control. A grow may harvest

multiple strains on the same day, so it needs to be clear in the rule that you are allowed to sample each strain.

- 2. Internal quality control sample limits should be based on employee count
 - a. WACA recognizes that quality control samples are intended to be used as such and are not to be used as employee compensation. However, to have a numerical limit on quality control samples that applies to all producers and processors regardless of size is unworkable because there is such a vast difference between a small tier 1 and a large tier 3. Furthermore, it does become a matter of employee fairness. WACA recommends adjusting the limits for internal quality control samples to allow for each employee to sample new batches and/or harvests per strain. This approach would scale the allotted sample amount based on the size of the operation and also allow equal access to all employees, making for better quality control.
- 3. Producers and processors need to be able to sample products in the research and development phase
 - a. The current restrictions for internal quality control samples do not allow enough flexibility for producers and processors to sample products they are not currently selling to retailers but are in the process of developing. WACA recommends adding a new section that clearly states producers and processors are allowed to conduct quality control sampling to their employees for products that are under development and not currently being sold to retailers.

Thank you for your consideration, we look forward to continued work on this ruleset to streamline and simplify sampling regulations for legal licensed businesses.

Sincerely, Vicki Christophersen WACA Executive Director