



**Washington State  
Liquor and Cannabis Board**

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**Date:** March 12, 2025

**To:** Jim Vollendroff, Board Chair  
Ollie Garrett, Board Member  
Pete Holmes, Board Member

**From:** Jeff Kildahl, Policy and Rules Coordinator

**Copy:** Will Lukela, Agency Director  
Toni Hood, Agency Deputy Director  
Lawerence Grant, Director of Enforcement and Education  
Becky Smith, Licensing Director  
Justin Nordhorn, Policy and External Affairs Director  
Kevin Walder, Policy & Rules Manager

**Subject:** Request for approval of final rules (CR 103) regarding sales of cannabis waste.

The Director’s Office requests that the Board adopt the final rules, and approve the CR 103 to implement Substitute Senate Bill (SSB) 5376 ([chapter 243, Laws of 2024](#)) to allow cannabis producers and processors to persons to sell cannabis waste to people who are not cannabis licensees.

The Board has been briefed on the rule development background for this rulemaking project. There were four public comments received on the CR 102. A CR 103 memorandum, CR 103 form, Concise Explanatory Statement, and rule text are attached.

If approved, the Policy and Rules Coordinator will file the rules with the Office of the Code Reviser. The effective date of the rules will be 31 days after filing, or April 13, 2025.

\_\_\_\_\_ Approve      \_\_\_\_\_ Disapprove      \_\_\_\_\_  
Jim Vollendroff, Chair      Date

\_\_\_\_\_ Approve      \_\_\_\_\_ Disapprove      \_\_\_\_\_  
Ollie Garrett, Board Member      Date

\_\_\_\_\_ Approve      \_\_\_\_\_ Disapprove      \_\_\_\_\_  
Pete Holmes, Board Member      Date

Attachments: CR 103 Memorandum  
Concise Explanatory Statement



## CR 103 Memorandum

### Implementing Substitute Senate Bill 5376 regarding sales of cannabis waste

Date: March 12, 2025  
Presented by: Jeff Kildahl, Policy and Rules Coordinator

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#### Background

The Liquor and Cannabis Board is amending [WAC 314-55-097](#) to implement Substitute Senate Bill (SSB) 5376 ([chapter 243, Laws of 2024](#)) related to the sale of cannabis waste. SSB 5376 was codified as [RCW 69.50.3255](#) and took effect on June 6, 2024.

SSB 5376 allows for a licensed cannabis producer or licensed cannabis processor to sell cannabis plant waste that has a THC concentration of 0.3% or less, such as cannabis plant roots, to a person who is not cannabis licensee under certain conditions.

#### Rule Necessity

Amendments are needed to make amendments to WAC 314-55-097 to implement SSB 5376 regarding allowing sale of cannabis waste by licensed cannabis producers and processor to persons who are not cannabis licensees.

#### Public Engagement

On September 4, 2024, the LCB held a virtual public stakeholder meeting regarding selling cannabis waste under SSB 5376. The September 4, 2024 meeting was recorded and the recording is available for viewing online at this [link](#). The September 4, 2024 stakeholder meeting also included a PowerPoint presentation on the rulemaking project that is available at this [link](#). Several licensees commented on topics including:

- Reporting a minimum price or price of \$0 for cannabis was sold from a licensee to a non-licensee.
- The continuing requirements to combine cannabis waste with inert material for disposal, and possible removing that requirement in the future through legislation.
- Other waste issues for cannabis licensees – electronic waste, packaging, etc.

- Allowances for cannabis licensees to sell their cannabis waste to other cannabis licensees, without grinding or mixing.
- Carbon footprint of cannabis production.
- Reporting requirements for sales of cannabis waste.

## Description of Rule Changes

These permanent amendments make changes to WAC 315-55-097 to do the following:

- Update the title of the section to include cannabis waste sales.
- Define the term “sellable cannabis waste” for the purposes of WAC 314-55-097.
- Designate that “sellable cannabis waste” does not include “hemp” or “industrial hemp,” as defined in [RCW 15.140.020](#).
- Reiterate that cannabis plant material that has a THC concentration greater than 0.3 percent is considered cannabis under [RCW 69.50.101](#) and is therefore not eligible for designation as “sellable cannabis waste”.
- Require cannabis licensees and certified laboratories to evaluate cannabis waste consistent with both [chapters 70A.300 RCW](#) and [173-303 WAC](#) to determine if cannabis waste is designated as dangerous or hazardous as defined in those chapters. If the waste is designated as dangerous or hazardous as defined in chapters 70A.300 RCW or 173-303 WAC, it must be stored, managed, and disposed of consistent with those chapters.
- Designate the required conditions under which a cannabis producer or processor licensee may sell the “sellable cannabis waste” to a person who is not a cannabis licensee, including the following reporting:
  - Completing pre-sale notice to both the WSDA and LCB of “sellable cannabis waste”.
  - Reporting the quantity of sellable cannabis waste.
  - Reporting the sale price of the cannabis waste; and
  - The name and contact information of the buyer.
- Designate that the sale of sellable cannabis waste must be conducted in a manner that is open and accessible to all members of the public without discrimination.
- Designate that cannabis waste will not leave the state of Washington as part of the sale or delivery.
- Designate the required conditions under which a cannabis licensee may sell “sellable cannabis waste” to another cannabis licensee, including the following:
  - Both the selling and purchasing licensees must notify the LCB of the intended sale;

- The notice must identify:
  - The quantity of sellable cannabis waste;
  - The sale price; and
  - The intended use of the sellable cannabis waste.
- Both licensees must maintain accurate records of all sales of sellable cannabis waste;
- Such records shall be provided to LCB upon request.
- Reorganizes rule language concerning disposal guidelines and record keeping requirements for cannabis licensees.
- States that LCB can conduct inspections and audits to ensure compliance with the rule and provides that there may be penalties for non-compliance.
- Other minor edits for organization and rule clarity.

**Differences between proposed rules (CR 102) and final rules (CR 103):**

There were no changes to the proposed rules.

**Rule Implementation (RCW 34.05.328(3)(a))**

Informing and Educating Persons Impacted by the Rule (RCW 34.05.328(3)(b))

To help inform and educate persons impacted by the rule, the LCB will:

- Email notice with the adoption materials to persons who commented on the rules, the rule making and licensee distribution lists, and the general LCB GovDelivery list;
- Post rule adoption materials, including final rule language, response to comments, final analysis (Concise Explanatory Statement), and any other relevant documents on the rulemaking webpage for public access.

Promoting and Assisting Voluntary Compliance (RCW 34.05.328(3)(c))

LCB will promote and assist voluntary compliance through technical assistance.

- LCB staff are available to respond to phone and email inquiries about the rules.
- Agency leadership and staff have actively participated in rule development and revisions and are familiar with the final product. Internal and external education efforts to share knowledge and assure consistent application of rule will be supported.
- Rule and guidance documents will be available on the LCB website.
- LCB will use available and customary resources to disseminate materials and information to all persons impacted by the rules.

These actions are designed to inform and educate all persons impacted by the rules to support and promote voluntary compliance.

## Training and Informing LCB Staff

Several LCB staff responsible for implementing these adopted rules work directly with impacted parties and are already familiar with the nuances of the rule changes. Additional internal guidance documents may be prepared as necessary. The LCB will also consider:

- Provision of internal and external training and education, as needed, potentially including webinars, training, and videos if appropriate;
- Coordinating and centrally locating decisions to assure consistency between agency, staff, and industry.

## **Rule Effectiveness Evaluation (RCW 34.05.328(3)(d))**

After the rule becomes effective, the LCB will evaluate the effectiveness of this rule in the following ways, including but not limited to:

- Monitoring questions received after the effective date of this rule, and adjusting training and guidance accordingly;
- Monitoring the number of enforcement actions, including type, resolution, and the outcome;
- Monitoring the number of requests for rule language revisions or changes;
- Monitoring the number of requests for rule interpretation;
- Monitoring licensee feedback including, but not limited to, the number of requests for assistance.



# RULE-MAKING ORDER

## PERMANENT RULE ONLY

### CR-103P (December 2017) (Implements RCW 34.05.360)

**Agency:** Washington State Liquor and Cannabis Board

**Effective date of rule:**

**Permanent Rules**

- 31 days after filing.  
 Other (specify) \_\_\_\_\_ (If less than 31 days after filing, a specific finding under RCW 34.05.380(3) is required and should be stated below)

**Any other findings required by other provisions of law as precondition to adoption or effectiveness of rule?**

- Yes  No If Yes, explain:

**Purpose:** The purpose of these rule changes to WAC 314-55-097 is to implement Substitute Senate Bill 5376 (chapter 243, Laws of 2024) regarding allowing sale of cannabis waste. These rule amendments allow for licensed cannabis producer licensees and cannabis processor licensees to sell non-hazardous cannabis waste containing a THC concentration of 0.3 percent or less to persons who are not cannabis licensees under the requirements set forth in WAC 314-55-097.

**Citation of rules affected by this order:**

New: None  
 Repealed: None  
 Amended: WAC 314-55-097  
 Suspended: None

**Statutory authority for adoption:** RCW 69.50.342, RCW 69.50.3255

**Other authority:** Substitute Senate Bill 5376 (chapter 243, Laws of 2024))

**PERMANENT RULE (Including Expedited Rule Making)**

Adopted under notice filed as WSR 25-03-080 on January 15, 2025 (date).  
 Describe any changes other than editing from proposed to adopted version: None .

If a preliminary cost-benefit analysis was prepared under RCW 34.05.328, a final cost-benefit analysis is available by contacting:

Name:  
 Address:  
 Phone:  
 Fax:  
 TTY:  
 Email:  
 Web site:  
 Other:

**Note: If any category is left blank, it will be calculated as zero.  
No descriptive text.**

**Count by whole WAC sections only, from the WAC number through the history note.  
A section may be counted in more than one category.**

**The number of sections adopted in order to comply with:**

|                                  |     |     |         |          |          |     |
|----------------------------------|-----|-----|---------|----------|----------|-----|
| Federal statute:                 | New | ___ | Amended | ___      | Repealed | ___ |
| Federal rules or standards:      | New | ___ | Amended | ___      | Repealed | ___ |
| Recently enacted state statutes: | New | ___ | Amended | <u>1</u> | Repealed | ___ |

**The number of sections adopted at the request of a nongovernmental entity:**

|     |     |         |     |          |     |
|-----|-----|---------|-----|----------|-----|
| New | ___ | Amended | ___ | Repealed | ___ |
|-----|-----|---------|-----|----------|-----|

**The number of sections adopted on the agency's own initiative:**

|     |     |         |          |          |     |
|-----|-----|---------|----------|----------|-----|
| New | ___ | Amended | <u>1</u> | Repealed | ___ |
|-----|-----|---------|----------|----------|-----|

**The number of sections adopted in order to clarify, streamline, or reform agency procedures:**

|     |     |         |     |          |     |
|-----|-----|---------|-----|----------|-----|
| New | ___ | Amended | ___ | Repealed | ___ |
|-----|-----|---------|-----|----------|-----|

**The number of sections adopted using:**

|                                |     |     |         |          |          |     |
|--------------------------------|-----|-----|---------|----------|----------|-----|
| Negotiated rule making:        | New | ___ | Amended | ___      | Repealed | ___ |
| Pilot rule making:             | New | ___ | Amended | ___      | Repealed | ___ |
| Other alternative rule making: | New | ___ | Amended | <u>1</u> | Repealed | ___ |

**Date Adopted:** March 12, 2025

**Name:** Jim Vollendroff

**Title:** Chair

**Signature:**

Place signature here



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

For purposes of this section, "sellable cannabis waste" means solid waste generated during cannabis production or processing that has a THC concentration of 0.3 percent or less and not designated dangerous or hazardous. Sellable cannabis waste does not include "hemp" or "industrial hemp," as defined in RCW 15.140.020. A portion of a cannabis plant that has a THC concentration greater than 0.3 percent is considered cannabis under RCW 69.50.101.

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

(3) ~~((Wastes from the production and processing of cannabis plants must be evaluated against the state's dangerous waste regulations (chapter 173-303 WAC))~~ Cannabis licensees and certified laboratories must evaluate cannabis waste consistent with chapters 70A.300 RCW and 173-303 WAC to determine if ((those wastes designate as dangerous waste. It is the responsibility of each waste generator to properly evaluate their waste to determine if it is designated as a dangerous waste)) the cannabis waste is designated as dangerous or hazardous as defined in those chapters.

(a) If a ((generator's)) licensee or certified laboratory generates waste ((does designate as a)) that is not designated as dangerous or hazardous waste, then that waste((s)) is subject to the ((applicable)) cannabis waste management standards ((found in chapter 173-303 WAC)) set forth in this section.

~~((a))~~ (i) Waste((s)) that must be evaluated ((against the dangerous waste regulations)) to determine if it is dangerous or hazardous includes, but ((are)) is not limited to, the following:

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

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

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

~~((iv))~~ (D) Cannabis extract that fails to meet quality testing.

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

~~((e))~~ (ii) A cannabis plant, useable cannabis, cannabis plant roots, trim, and other plant material ((in itself)) is not considered dangerous or hazardous waste as defined under chapter 70A.300 RCW or 173-303 WAC unless it has been treated or contaminated with a solvent.

~~((4))~~ (b) Cannabis waste that is designated as dangerous or hazardous as defined in chapter 70A.300 RCW or 173-303 WAC must be stored, managed, and disposed of consistent with chapters 70A.300 RCW and 173-303 WAC.

(4) Cannabis waste that is not designated as dangerous or hazardous waste as defined in chapter 70A.300 RCW or 173-303 WAC and is not sold as provided in this section must be rendered unusable before leaving the licensed premises or certified laboratory.

(a) The process for rendering cannabis waste unusable must involve grinding the waste and mixing it with other ground materials so that the resulting mixture is at least 50 percent noncannabis waste by volume. Other methods to render cannabis waste unusable may be proposed but must receive prior approval from the LCB before implementation. Acceptable materials for mixing with cannabis waste include, but are not limited to, the following:

(i) Compostable mixed waste, such as food waste, yard waste, vegetable greases or oils, or other compostable materials approved by the LCB;

(ii) Noncompostable mixed waste, with materials such as paper waste, plastic waste, cardboard waste, or other noncompostable materials approved by the LCB.

(b) Once rendered unusable, cannabis waste may, subject to approval by the local authority, be disposed of at a permitted solid waste facility, including composting facilities, anaerobic digesters, landfills, or incinerators. Compliance with (b) of this subsection may be accomplished by managing cannabis waste rendered unusable on-site by the licensee or certified laboratory in accordance with the standards of chapter 173-350 WAC.

(c) Licensees must maintain records documenting the final destination and method of all cannabis waste rendered unusable in the required format.

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

~~Wastes that must be rendered unuseable prior to disposal include, but are not limited to, the following)) may be sold by the producer or processor to a person who is not a licensed cannabis business under the following conditions:~~

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

~~(b) Cannabis plant waste, including roots, stalks, leaves, and stems that have not been processed with solvent.~~

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

~~(d) Other wastes as determined by the WSLCB.~~

~~(5) The allowable method to render cannabis plant waste unuseable is by grinding and incorporating the cannabis plant waste with other ground materials so the resulting mixture is at least 50 percent non-cannabis waste by volume. Other methods to render cannabis waste unuseable must be approved by the WSLCB before implementation.~~

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

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

~~(i) Food waste;~~

~~(ii) Yard waste;~~

~~(iii) Vegetable based grease or oils; or~~

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

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

- ~~(i) Paper waste;~~
- ~~(ii) Cardboard waste;~~
- ~~(iii) Plastic waste;~~
- ~~(iv) Soil; or~~
- ~~(v) Other wastes as approved by the WSLCB.~~

~~(6) Cannabis wastes rendered unuseable following the method described in subsection (4) of this section can be disposed.~~

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

- ~~(i) Compostable mixed waste: Compost, anaerobic digester, or other facility with approval of the jurisdictional health department.~~
- ~~(ii) Noncompostable mixed waste: Landfill, incinerator, or other facility with approval of the jurisdictional health department.~~

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

~~(c) A record of the final destination of cannabis waste rendered unuseable.) The cannabis licensee must report the intended sale to the WSDA prior to completion of the sale;~~

(b) The cannabis licensee must notify the LCB of the intended sale prior to completion of the sale in the format specified by the board;

(c) The report includes at least the following information:

- (i) The quantity of sellable cannabis waste;
- (ii) The sale price; and
- (iii) The name and contact information of the buyer;

(d) The sale of sellable cannabis waste must be conducted in a manner that is open and accessible to all members of the public without discrimination; and

(e) The cannabis waste will not leave the state of Washington as part of the sale or delivery.

(6) Sellable cannabis waste may be sold by the producer or processor to another producer or processor under the following conditions:

(a) Both the purchasing and selling cannabis licensees must notify the LCB of the intended sale in the format specified by the board;

(b) The notice to the board must include the following:

- (i) The quantity of sellable cannabis waste;
- (ii) The sale price; and
- (iii) The intended use of the sellable cannabis waste.

(c) The sale must be conducted consistent with chapters 69.50 RCW and 314-55 WAC.

(7) (a) The LCB may conduct inspections and audits to ensure compliance with this section.

(b) Licensees found in violation of these rules may be subject to penalties.

(c) Licensees are responsible for keeping accurate and complete records of all sellable cannabis waste sales. Licensees and certified laboratories are responsible for keeping accurate and complete records of all evaluations, rendering, and disposal activities.

(d) All required records must be made available to the LCB upon request.

(e) All required records must be kept consistent with the requirements in WAC 314-55-087.

(8) Cannabis waste rendered unusable following the method described in this rule can be disposed of.

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

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

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

(b) Disposal of the cannabis waste rendered unusable may be managed on-site by the licensee or certified laboratory in accordance with the standards of chapter 173-350 WAC.



## Notice of Permanent Rules

**Regarding Amendment to WAC 314-55-097 – implementing SSB 5376 regarding sales of cannabis waste.**

**This concise explanatory statement concerns the Washington State Liquor and Cannabis Board (LCB)'s adoption of amendments to WAC 314-55-097.**

The Administrative Procedure Act (RCW 34.05.325(6)) requires agencies to complete a concise explanatory statement before filing adopted rules with the Office of the Code Reviser. The concise explanatory statement must be provided to any person upon request, or from whom the LCB received comment.

The LCB appreciates and encourages your involvement in the rule making process. If you have questions, please contact Jeff Kildahl, Policy and Rules Coordinator, at [rules@lcb.wa.gov](mailto:rules@lcb.wa.gov).

### **Background and reasons for adopting these rules:**

The Liquor and Cannabis Board (LCB) has amended WAC 314-55-097 to implement to allow for selling of cannabis waste containing 0.3% THC or less under certain conditions to persons who are not cannabis licensees.

The rule amendments necessary to implement [Substitute Senate Bill 5376](#), which is codified at [RCW 69.50.3255](#).

The rulemaking amends [WAC 314-55-097](#). Detailed explanation of what changes the final rules makes can be found in the CR 103 memo and the CR 102 materials.

### **Rulemaking history for this adopted rule:**

**CR-101:** Filed May 22, 2024, as [WSR #24-11-158](#)

**CR-102:** Filed Jan. 15, 2025], as [WSR #25-03-080](#).

**Public Hearing:** February 26, 2025.

**The effective date of this amended rule is April 13, 2025.**

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### **Public comment received on the rule proposal:**

There were four written public comments received prior to the public hearing held February 26, 2025:

#### **1. Alison Sheafor via email on January 16, 2025**

Dear LCB,

I recently saw that you are considering some amendments to the cannabis waste requirements in WAC 314-55-097 concerning the sale of cannabis waste. I ask that you also consider an adjustment to the requirement to grind up the cannabis waste before mixing it with some other media, such as dirt, wood chips, etc. I understand and accept that the waste needs to be buried and/or mixed with something to make it “unusable”. I realize it’s easy to shred the strong stalks, but the challenge we have is the grinding/shredding of the green leaves.

We take large amounts of off of the plants in the beginning of the growing process to provide light to the plant. (This is sometimes called “lolly-popping”.) This is done before trichomes or flowers form. These leaves are useless to anyone (except maybe a composter who would like to add nitrogen to their compost). It is impossible to dump trashcans full of leaves into a shredder. Trying to shred handful after handful of wet, green leaves in a shredder is a very dangerous process. Shredders that shred leaves are designed for dry tree leaves, not the soft, wet green leaves we deal with. We’ve had to take the protective guards off of the expensive shredder we purchased just to get the leaves to go in, and often have to poke at them with a stick. The wet leaves constantly clog the shredder. We have designated one person we trust to do this (an owner), because we feel it is too dangerous for the rest of the crew. Again, we have no problem mixing the leaves with 50% soil or wood chips, burying the leaves so they are entirely useless...even though I am pretty sure they are unusable in the sense that is of concern.

The grinding/shredding is a hazardous and time consuming requirement here at the farm. I request that you consider taking the words “ground up” out of the requirement. Or maybe you could write that stalks need to be ground up and covered with a medium, and leaves need to be buried or mixed with something similar to soil or wood chips to make them unusable. Another option would be that the grinding requirement could have a size attached to it, such as “plant waste needs to be ground so that it is smaller than 6” in any direction.” That would eliminate the requirement to shred single leaves.

On a side note, what is “useable” about a cannabis stalk? Has there been any research done on this? I personally don’t consume cannabis. When I first got this job I was surprised to find that no one smokes the leaves, it’s the flower that is coveted. (I still get teased about this.) Of course, the trim off of the flower and the small leaves next to the flower have trichomes on them, and I hear this trim is useable for certain processes that are done in labs, but what use is the stalk? What use are the green leaves from the bottom of the plant? I’m just curious, and would be happy to be educated on this matter.

Thank-you so much for your consideration,  
Alison

#### **LCB Response:**

Good morning Alison,

Thank you for your message regarding cannabis waste. In the stakeholder meeting on this topic there was mention among participants about a changing this requirement in the future through creating new legislation that would not require waste to be destroyed for disposal.

I hear what you are saying about destroying the green plant waste. Sound a lot like green grass clippings.

The bill 5376 passed the legislature and is now [rcw 69.50.3255](#) and requires the waste for disposal to be rendered unusable.

Are the leaves you mention above 0.3% THC?

Sincerely,  
Jeff

**Was the comment reflected in the adopted rule? No.**

**2. John Nolan, via email on January 16, 2025**

Mr. Kildahl, good morning. Can you email your tentative timeline when the sale of waste to non-cannabis businesses would be enacted? Thank you in advance for your response to this question.

Respectfully,

John Nolan

**LCB Response:**

Good morning John,

These changes to wac 314-44-097 could go into effect as early as April 12, 2025. The law actually went into effect in 2024 and we are now nearly finished with the rulemaking project .

Sincerely,  
Jeff

**Was the comment reflected in the adopted rule? No.**

**3. Pat Waters, via email on January 17, 2025**

Please note my strong objection of the sale of Cannabis waste to any unlicensed entity period. This will allow unlicensed entities to compete with licensed WSLCB licensed entities, undermining profits already stressed by growing wage increases in the industry, flat lined annual sales at retail stores and unfair licensing of expanded tribal licenses in the state on non tribal lands. LCB is undermining the retail sales system it is supposed to be protecting to protect the original small business and stakeholders the law originally was initiated to protect. I am specifically talking about Cannabis sales prior to adoption of 502 that were medical and sales that were exempted by prior statutes that allowed grows for medical use which I was included.

Regards,  
State Licensed Retailer  
Pat Waters

**LCB Response:**

Hi Pat,

Thank you for your comments regarding cannabis waste. I will include them with the rule file.

This rulemaking only allows for sales of cannabis plant waste that has a THC concentration 0.3 percent or less, like the plant roots that otherwise have to be ground up and mixed with other material for disposal. It should not impact other licensees.

Thanks  
Jeff

**Was the comment reflected in the adopted rule? No.**

**4. Pat Waters, via email on January 17, 2025**

Hi Jeff,  
Please add this to my comments.

Once you start a process to sell to Cannabis unlicensed entities, there is a long history of diverted sales that has been extremely hard to track and stop that is still ongoing today. This new endeavor could add to more to the diversion issue and problem, PLEASE DO NOT APPROVE.

Regards,  
Pat Waters Retail Licensee WA State

**LCB Response:**

Hi Pat,

Thank you again for your comments regarding cannabis waste.

Thanks  
Jeff

**Was the comment reflected in the adopted rule? No.**

**One person testified at the public hearing held February 26, 2025:**

**1. Douglas Henderson**

Greetings once again to members of the board,

Very excited to see rules surrounding cannabis waste moving forward so that we can utilize our crop waste for alternative sustainable materials uh I do want to once more request that the purchase not be required for transactions in cannabis waste, but I do remain in support of a reporting requirement I think that the reporting requirement between WSDA and LCB is going to help protect our cannabis Farmers from being accused of diversion as well as provide the WSDA with important information about the amount of cannabis waste that is produced in our state. I also would like to request that the language surrounding out of state transfers be removed products produced from these waste streams are going to be inert and that requirements is excessive and it restricts Commerce. The Inland hemp group that I represent we intend to use



these waste streams to engage in a circular economy along with hemp waste materials and we intend to provide a cannabis specific Waste Management Service to that end costs bring more costs and I would prefer not to engage in additional bookkeeping. and I do want to take a moment to thank the team at the LCB Justin Nordhorn Jeff Kildahl for working with the stakeholders here on this issue and I'm looking forward to implementation of the rules thank you thank you

**LCB Response:**

Hi Douglas,

Thank you for your testimony at the public hearing on February 26, 2025. I hear your concern about the rule's reporting requirement for including a purchase price for the cannabis waste sale, but this is a requirement from SSB 5376 that would have to be changed by the legislature as it is found in the statute [RCW 69.50.3255\(1\)\(b\)](#) and must be reflected in [WAC 314-55-097](#). This requirement would have to be changed by the legislature.

Thank you again for you participation in this rulemaking project.

Sincerely,  
Jeff

**Was the testimony reflected in the adopted rule? No.**

**Changes between the proposed rules and the final rule rules:**

There were no changes between the proposed rule and the final rule.