

CR 103 Memorandum

Allowing minors under the age of 21 on non-retail cannabis licensed premises

Date: June 18, 2025

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Background

In August 2022, the Board accepted two rulemaking petitions to amend <u>WAC 314-55-015</u> to allow certain minors on the premises of licensed cannabis producers and processors under specific conditions. One petition sought to codify an LCB temporary COVID allowance that permitted minors under 16 years of age on the licensed premises of cannabis producers and processors. The conditions for this allowance included that the minor was a child or grandchild of the licensee, was not engaged in any work or act of employment for the licensee's business, and did not possess any products associated with the production, processing, or sales of cannabis. This allowance expired on December 31, 2022. The second petition requested that employees of contractors engaged in construction, electrical, plumbing, HVAC work, etc., who are under 21, be permitted on licensed premises of cannabis producers and processors, provided they are over the age of sixteen and not engaging in any work related to production, processing or sales of cannabis.

Under <u>WAC 314-55-015(2)</u>, no one under 21 years of age may enter or remain on cannabis licensed premises except as provided in <u>RCW 69.50.357</u>, which allows qualifying patients under 21 years of age on the premises of retail outlets only, under certain conditions. Statute explicitly prohibits the delivery, sale, or possession of cannabis products to persons under 21 years of age but does not prohibit persons under 21 years of age to enter or remain on the licensed premises of a producer or processor. The Board has broad statutory authority to adopt rules that regulate producer and processor licenses as provided in RCW 69.50.325, RCW 69.50.342, and RCW 69.50.345.

A CR 101 was filed on February 28, 2024 (<u>WSR 24-06-026</u>) that initiated rulemaking. Proposed rule language was filed with CR 102 on January 15, 2025 (<u>WSR 25-03-081</u>). Based on feedback received during the public comment period following the CR 102, a Supplemental CR 102 was filed on April 23, 2025 (<u>WSR 25-09-166</u>), with revised proposed rule language. A public hearing on the proposed rule language filed with the Supplemental CR 102 was held on June 5, 2025.

Rule Necessity

These rule changes are being made as a result of two rulemaking petitions accepted by the Board in 2022. One petition sought to make permanent an allowance LCB had in place during COVID that permitted children and grandchildren of cannabis licensees on the licensed premises of producers and processors under certain specific conditions. The second petition sought to extend a similar allowance to employees of contractors under 21 years of age. LCB had received widespread support for this rulemaking from stakeholders.

Public Engagement

Prior to filing the CR 101, rules staff reached out to the petitioner asking if they remained supportive of initiating this rulemaking. The petitioner responded that yes, they were still supportive. Subsequently, LCB rules staff received over 50 emails from people in support of rulemaking related to these petitions prior to filing the CR 101.

After filing the CR 101, an LCB project team was convened to discuss and develop draft rules. The project team included representation from the Attorney General's Office, Enforcement & Education division, the Licensing division, and the public health education liaison.

Two virtual stakeholder engagement sessions were held on Monday, September 16, and Thursday, September 19, 2024. A <u>Powerpoint presentation</u> with background information and conceptual rule elements, including draft conditions, was posted on the LCB rule webpage for discussion at these sessions. An invitation and links to session materials was sent out via a <u>Gov delivery</u> notice on September 5, 2024. The stakeholder sessions were recorded. Transcripts of these sessions with their attendance lists are included as an attachment in the <u>CR 102 memo</u> dated January 15, 2025.

In order to obtain feedback on draft rule language prior to filing the CR 102, a <u>Gov</u> <u>delivery</u> notice was sent out on November 20, 2024 requesting public feedback on draft rules. Draft rules were posted on the LCB webpage with a deadline of December 6, 2024, for comments.

During the public comment period following the filing of the CR 102 on January 15, 2025, LCB received nineteen written comments via email and four oral comments provided during a regular Board meeting on January 15, 2025. Additionally, four people provided oral comments during the public hearing on February 26, 2025. Based on public comments received on proposed language with the CR 102, as well as subsequent direction from the Board, agency staff revised several aspects of the proposed rules that resulted in revised proposed rule language included in a Supplement CR 102 approved by the Board on April 23,2025.

A public hearing on the proposed rule language in the Supplemental CR 102 was held on June 5, 2025. LCB received three comments on proposed rule language during the public comment period through the day of the public hearing. These comments are provided in the Concise Explanatory Statement included with this memo.

Description of Rule Changes

Permanent rules with the CR 103 amend WAC 314-55-015.

Changes were made to rule language to add two groups of persons under 21 years of age allowed on cannabis licensed premises of producers and processors given specific conditions. These changes included amending 1 subsection and adding 3 new subsections.

Amends Subsection (2):

Adds definition of person to reference existing definition in RCW 69.50.101 and stipulates that persons under 21 years of age must not:

- (a) enter or remain the licensed premises of a cannabis licensee except as provided in new subsections (3) and (4) of this section.
- (b) possess any products associated with the production, processing, or sales of cannabis. Adds that violations are subject to the same penalties established for allowing persons under 21 years of age to frequent a retail licenses premises under WAC 314-55-525.

Adds new Subsection (3):

Persons under the age of 16 who are children or grandchildren of the licensees may enter or remain on the licensed premises of a cannabis producer or processor, provided:

- (a) The person does not enter or remain in areas where cannabis is present including, but not limited to, those areas where cannabis is grown, dried, cured, trimmed, processed in any manner, stored, or being prepared for shipment, unless accompanied by and under the direct supervision of the licensee.
- (b) The licensee is on the licenses premised at all times while their child or grandchild is present.

Adds that violations of this subsection are subject to the same penalties for failure to maintain required surveillance system under WAC 314-55-522.

Adds new Subsection (4):

A licensed producer or processor may allow a person under 21 years of age to enter or remain on the licensed premises under the following conditions:

- (a) The person under 21 years of age is:
 - (i) At least 18 years of age.
 - (ii) Employed by a licensed plumbing contractor, electrical contractor, or a contractor registered with the Washington state Department of Labor and Industries.

- (iii) On the licensed premises only during the course of their official employment and does not remain on the premises any longer than is necessary to perform duties associated with their employment.
- (iv) Accompanied at all times by either:
 - (A) a supervisor who is employed by the same licensed or registered contractor and who is at least 21 years of age; or
 - (B) a general contractor with supervisory authority and control over the workplace who is at least 21 years of age.
- (b) In addition to requirements under WAC 314-55-083, including wearing an identification badge while on the premises, licensees must record the following information about employees of contractors in the visitor log:
 - (i) If the employee is under 21 years of age; and
 - (ii) The name of contractor business for whom employee is engaged in work while on the licensed premises.

Adds new Subsection (12)

Specifies that nothing in this section conflicts with RCW 9.41.300 as the entire premises remain classified as off-limits to persons under 21 years of age from the general public.

All specific changes and a comparison of changes made between the CR 102 and Supplemental CR 102 are listed in the <u>Supplemental CR 102 memo</u>.

Difference between the proposed rules (Supplemental CR 102) and final rules (CR 103): No changes were made.

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.