



PETITION FOR ADOPTION, AMENDMENT, OR REPEAL OF A STATE ADMINISTRATIVE RULE

Print Form

In accordance with [RCW 34.05.330](#), the Office of Financial Management (OFM) created this form for individuals or groups who wish to petition a state agency or institution of higher education to adopt, amend, or repeal an administrative rule. You may use this form to submit your request. You also may contact agencies using other formats, such as a letter or email.

The agency or institution will give full consideration to your petition and will respond to you within 60 days of receiving your petition. For more information on the rule petition process, see Chapter 82-05 of the Washington Administrative Code (WAC) at <http://apps.leg.wa.gov/wac/default.aspx?cite=82-05>.

CONTACT INFORMATION *(please type or print)*

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COMPLETING AND SENDING PETITION FORM

- Check all of the boxes that apply.
- Provide relevant examples.
- Include suggested language for a rule, if possible.
- Attach additional pages, if needed.
- Send your petition to the agency with authority to adopt or administer the rule. Here is a list of agencies and their rules coordinators: <http://www.leg.wa.gov/CodeReviser/Documents/RClist.htm>.

INFORMATION ON RULE PETITION

Agency responsible for adopting or administering the rule: Washington State Liquor and Cannabis Board (LCB)

☒ 1. NEW RULE - I am requesting the agency to adopt a new rule.

☒ The subject (or purpose) of this rule is: To establish a formal recognition and administrative pathway for Qualified Remnants—verified participants from Washington State 's first and second rounds of the Social Equity in Cannabis Program—and to create a process for connecting

☒ The rule is needed because: Current WAC provisions governing the Social Equity in Cannabis Program do not address continuity or recognition for verified applicants who met eligibility criteria but were not awarded licenses. The absence of such a rule leaves qualified participants without a mechanism for future

☒ The new rule would affect the following people or groups: Verified social equity applicants from the first and second rounds of the LCB 's Social Equity in Cannabis Program.

☐ **2. AMEND RULE - I am requesting the agency to change an existing rule.**

List rule number (WAC), if known: _____

☐ I am requesting the following change: _____

☐ This change is needed because: _____

☐ The effect of this rule change will be: _____

☐ The rule is not clearly or simply stated: _____

☐ **3. REPEAL RULE - I am requesting the agency to eliminate an existing rule.**

List rule number (WAC), if known: _____

(Check one or more boxes)

☐ It does not do what it was intended to do.

☐ It is no longer needed because: _____

☐ It imposes unreasonable costs: _____

☐ The agency has no authority to make this rule: _____

☐ It is applied differently to public and private parties: _____

☐ It conflicts with another federal, state, or local law or rule. List conflicting law or rule, if known: _____

☐ It duplicates another federal, state or local law or rule. List duplicate law or rule, if known: _____

☐ Other (please explain): _____

Grown Folks 502: A Petitioning White Paper To The WA State LCB:

The Qualified Remnants Access To Equity Framework

Submitted to the Washington State Liquor and Cannabis Board (LCB)
Concerning Washington's Cannabis Social Equity Program under E2SHB
2870 (2020) and SB 5080 (2023)

This petition aims to assist the Washington Liquor and Cannabis Board
with their social equity mission as quoted:

The LCB's Social Equity Goals are to:

- *Increase the number of cannabis retailer, producer, and processor licenses held by applicants most harmed by the war on drugs.*
- *Build partnerships with local authorities to expand location access for cannabis businesses.*
- *Improve the social equity program experience to maximize community confidence in participating in the cannabis market.*

Executive Summary

This petition seeks administrative recognition and structural inclusion for Qualified Remnants—the verified but unlicensed participants of Washington State's Cannabis Social Equity Program. These individuals completed the LCB's verification process, met statutory requirements, and invested significant time and resources to demonstrate business readiness.

The Qualified Remnants Access To Equity Framework proposes a closed-loop system linking social equity remnant participants to social equity remnant licenses that re-enter circulation through forfeiture, revocation, or withdrawal. It eliminates the need for repeated open application rounds that consume public resources, delay program goals, and invite non-serious filings. The Framework allows Washington to uphold its legislative intent—reducing barriers and repairing harm—while strengthening administrative efficiency and public trust.



Background and Rationale

The Social Equity Program was created by E2SHB 2870 to redress the harms of prohibition by granting equitable access to ownership. SB 5080 later expanded this mission and reaffirmed LCB's authority as program administrator.

Through these statutes, hundreds of applicants were verified as eligible. Those with the highest scores go on through the program, working towards retail licensing. Those unawarded remain a latent asset—citizens fully qualified to operate within Washington's regulated system but administratively unrecognized.

At the same time, cannabis licenses continue to become available through voluntary surrender, forfeiture, or enforcement actions. The statutes do not clearly prescribe what should happen to these residual or 'remnant' licenses, and current practice has defaulted toward opening new general application rounds with costly third-party verification systems. This process is long and grueling when it doesn't have to be.

This repetition creates three avoidable inefficiencies:

Administrative Waste – Each new round requires new outreach, review, and scoring, even though a verified pool already exists.

Equity Dilution – New rounds often attract unverified or speculative applications, displacing verified participants who already met state standards.

Delayed Impact – Vacant or revoked licenses remain idle while new rounds are organized, postponing equity outcomes.



Problem Statement

The state currently has no mechanism to connect remnant licenses with remnant participants. Without this link, every reissued license triggers a full administrative cycle.

The most recent equity round attracted over 800 prospectss—largely because entry was cost-free, which we appreciated. As a result, genuine verified participants found themselves competing against a new flood of speculative filings that diluted scoring precision.

By contrast, The Qualified Remnants Access To Equity Framework ensures that future allocations begin where verification is left off—using data, not duplication.



Proposal: The Qualified Remnants Access To Equity Framework

1. Formal Recognition of Qualified Remnants

LCB should officially recognize verified but unlicensed applicants as Qualified Remnants—an ongoing participant category within the Social Equity Program.

2. Certificate of Verification

Each Remnant should receive a certificate or digital record affirming their verified status. This document becomes proof of qualification for future allocations or related opportunities (e.g., technical assistance, sustainability programs, delivery endorsements).

3. Remnant Registry

Create and maintain a secure registry of Qualified Remnants, jointly managed by LCB and the Department of Commerce. This database allows efficient tracking, contact updates, and data-driven evaluation.

4. License Recycling Protocol

When a social equity license is revoked, relinquished, or unused, the LCB should conduct a 90-day internal review to determine eligibility for reassignment to a verified participant in the Remnant Registry before opening any new external round.

5. Engagement and Oversight

Qualified Remnants should be included in stakeholder meetings, advisory committees, and program evaluations. Their direct experience strengthens future rule-making and maintains trust between agencies and communities.



Projected Administrative Savings

A conservative cost analysis suggests substantial efficiency gains:

- *Each full open-application round costs the state an estimated \$150,000 – \$200,000 in outreach, staffing, and third-party review.*
- *License-matching through a verified registry would cost roughly \$30,000 – \$50,000 per reallocation.*
- *The result: potential savings of \$100,000 – \$170,000 per cycle, not including time saved or improved program stability.*
- *For participants, avoiding a full re-application saves approximately \$1,000 – \$1,500 in renewal filings, business documentation, and compliance updates per entity.*

Beyond direct cost savings, the framework preserves credibility value—public trust in equitable administration—and temporal value—months of regained productivity between license availability and award.



Authority for Implementation

We understand that the LCB already possesses rule-making power under RCW 69.50.345 and RCW 69.50.335 to administer and refine social equity procedures. No new legislation is required. The Department of Commerce, which manages technical-assistance grants, can serve as data custodian and verification co-signatory.

Expected Outcomes

- **Continuity:** Verified participants remain visible and engaged within the equity ecosystem.
- **Integrity:** Reallocation of licenses occurs only among verified, lawfully eligible parties.
- **Efficiency:** Reduced duplication of administrative labor and taxpayer expense.
- **Equity Retention:** Program benefits remain within the intended impacted population.
- **Public Trust:** Transparent registry management demonstrates accountability and stewardship.



Conclusion

It is apparent that equity is not a moment; but a cycle. The Qualified Remnants Access To Equity Framework transforms Washington's social equity effort from a one-time distribution into a living system of recognition, recycling, and renewal.

The state has already built the foundation—verification, readiness, and community participation. All that remains is to connect what was left behind to what continues forward.

By adopting this framework or constructing one like it, the LCB and Department of Commerce can establish Washington as the nation's first regulatory body to pioneer Residual Equity—a circular model where no verified effort is wasted, and no equity license is lost to history.

Respectfully,

-A Twice Qualified Remnant of Washington State's Social Equity in Cannabis Program

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I've created an explainer video and published it to our YouTube channel:
[A Petitioning White Paper To The WA State LCB: The Qualified Remnants Access To Equity Framework](https://youtu.be/Q6xoxAfgoMY)

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<https://youtu.be/Q6xoxAfgoMY>

