



**Washington State  
Liquor and Cannabis Board**

**Date:** May 29, 2019

**To:** Jane Rushford, Board Chair  
Ollie Garrett, Board Member  
Russ Hauge, Board Member

**From:** Janette Benham, Policy and Rules Coordinator

**Copy:** Rick Garza, Agency Director  
Megan Duffy, Deputy Director  
Justin Nordhorn, Chief of Enforcement  
Becky Smith, Licensing Director

**Subject:** **Approval to file a pre-proposal statement of inquiry (CR 101) to implement 2019 legislation and update chapter 314-38 WAC- Permits**

This rulemaking will open chapter 314-38 WAC-Permits for a rules review and to implement House Bill 1563 regarding student tasting in college or university programs. Revisions will include a review of the chapter to update and clarify rules language. An issue paper describing why rules are necessary is attached.

**Process**

If approved for filing, the tentative timeline for the rulemaking process is:

May 29, 2019	<ul style="list-style-type: none"> <li>• CR 101 filed with the Office of the Code Reviser</li> <li>• LCB webpage updated and notice sent to the rules distribution list</li> </ul>
June 19, 2019	Notice published by the Office of the Code Reviser in WSR # 19-12
July 19, 2019	End of written comment period
October 2, 2019	<ul style="list-style-type: none"> <li>• Board asked to approve filing the CR 102</li> <li>• CR 102 filed with the Office of the Code Reviser</li> <li>• LCB webpage updated and notice sent to the rules distribution list</li> </ul>
October 16, 2019	• Notice published by the Office of the Code Reviser
November 13, 2019	Public Hearing held and end of written comment period
December 11, 2019	<ul style="list-style-type: none"> <li>• Board asked to adopt rules if no additional changes are made</li> <li>• Notice and Concise Explanatory Statement sent to those who commented both at the public hearing and in writing</li> <li>• CR 103 and adopted rules filed with the Office of the Code Reviser</li> <li>• LCB webpage updated and notice sent to the rules distribution list</li> </ul>
January 11, 2020	Rules effective (31 days after filing)

\_\_\_\_\_ Approve      \_\_\_\_\_ Disapprove      \_\_\_\_\_  
Jane Rushford, Chair      \_\_\_\_\_  
Date

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

\_\_\_\_\_ Approve      \_\_\_\_\_ Disapprove      \_\_\_\_\_  
Russ Hauge, Board Member      \_\_\_\_\_  
Date

Attachment: Issue Paper



## **Issue Paper**

### **2019 Legislation (House Bill 1563) and Rules Review**

#### **Chapter 314-38 WAC - Permits**

Date: May 29, 2019

Presented by: Janette Benham, Policy and Rules Coordinator

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#### **Description of the Issue**

The purpose of this Issue Paper is to request approval from the board to file the CR 101 as the first stage of rulemaking to implement House Bill (HB) 1563 regarding student tasting in colleges and universities. The chapter will also be reviewed to update and clarify rules language.

#### **Why is rule making necessary?**

HB 1563 permits students to taste alcoholic beverages while on the premises of the college or university at which the student is enrolled or while on a field trip to a grape-growing area or production facility. Chapter 314-38 WAC - Permits needs to be amended to implement this bill. The chapter also needs reviewed to update language and ensure language is clear. Revisions will include clarifying and technical updates.

#### **Process**

The rule making process begins by announcing the Liquor and Cannabis Board's intent to add new rules and/or make changes to existing rules by filing a CR 101 form. This allows staff and stakeholders to begin discussing rule changes. At the CR 101 stage of the process no proposed language is offered. The public may comment on the subject of this rulemaking during the designated comment period. Notice will be sent to all who have indicated that they want to receive notice of rule changes. The notice will identify the public comment period and where comments can be sent. Based on public input received, staff will draft proposed changes for presentation to the Board at the next phase of the rule making process.



**Washington State  
Liquor and Cannabis Board**

**Date:** May 29, 2019

**To:** Jane Rushford, Board Chair  
Ollie Garrett, Board Member  
Russ Hauge, Board Member

**From:** Janette Benham, Policy and Rules Coordinator

**Copy:** Rick Garza, Agency Director  
Megan Duffy, Deputy Director  
Justin Nordhorn, Chief of Enforcement  
Becky Smith, Licensing Director

**Subject:** **Approval to file a pre-proposal statement of inquiry (CR 101) to implement 2019 legislation regarding House Bill (HB) 1034, HB 1672, and Senate Bill 5909**

This rulemaking will implement 2019 legislation and revise:

- WAC 314-02-015 – What is a spirits, beer, and wine restaurant license?
- WAC 314-02-045 – What is a beer and wine restaurant license?
- Chapter 314-30 WAC – Manufacturers

Revisions will include technical and clarifying updates. An issue paper describing why rules are necessary is attached.

**Process**

If approved for filing, the tentative timeline for the rulemaking process is:

May 29, 2019	<ul style="list-style-type: none"> <li>• CR 101 filed with the Office of the Code Reviser</li> <li>• LCB webpage updated and notice sent to the rules distribution list</li> </ul>
June 19, 2019	Notice published by the Office of the Code Reviser in WSR # 19-12
July 19, 2019	End of written comment period
September 18, 2019	<ul style="list-style-type: none"> <li>• Board asked to approve filing the CR 102</li> <li>• CR 102 filed with the Office of the Code Reviser</li> <li>• LCB webpage updated and notice sent to the rules distribution list</li> </ul>
October 2, 2019	• Notice published by the Office of the Code Reviser
October 30, 2019	Public Hearing held and end of written comment period
November 13, 2019	<ul style="list-style-type: none"> <li>• Board asked to adopt rules if no additional changes are made</li> <li>• Notice and Concise Explanatory Statement sent to those who commented both at the public hearing and in writing</li> <li>• CR 103 and adopted rules filed with the Office of the Code Reviser</li> <li>• LCB webpage updated and notice sent to the rules distribution list</li> </ul>

January 11, 2020	Rules effective (31 days after filing)
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\_\_\_\_\_ Approve      \_\_\_\_\_ Disapprove      \_\_\_\_\_  
Jane Rushford, Chair      \_\_\_\_\_  
Date

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

\_\_\_\_\_ Approve      \_\_\_\_\_ Disapprove      \_\_\_\_\_  
Russ Hauge, Board Member      \_\_\_\_\_  
Date

Attachment: Issue Paper



## **Issue Paper**

### **2019 Legislation Implementation:**

**House Bill 1034 – Soju Endorsement**

**House Bill 1672 – Recapping Sake**

**Senate Bill 5909 – Manufacturers/Bottling and Packaging**

**WAC 314-02-015 – What is a spirits, beer, and wine restaurant license?**

**WAC 314-02-045 – What is a beer and/or wine restaurant license?**

**Chapter 314-30 WAC - Manufacturers**

Date: May 29, 2019

Presented by: Janette Benham, Policy and Rules Coordinator

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### **Description of the Issue**

The purpose of this Issue Paper is to request approval from the board to file the CR 101 as the first stage of rulemaking to implement House Bill (HB) 1034, HB 1672, and Senate Bill (SB) 5909. Revisions will include technical and clarifying updates.

### **Why is rule making necessary?**

HB 1034 created an endorsement that allows spirits, beer, and wine restaurants to serve soju for on-premises consumption to tables of two or more patrons. The bill allows the restaurant to recap soju bottles and patrons to remove recapped soju from the premises. WAC 314-02-015 needs to be revised to allow service of soju.

HB 1672 allows spirits, beer, and wine restaurants and beer and wine restaurants to recap sake purchased for consumption with a meal. The bill allows patrons to remove recapped sake from the premises. WAC 314-02-015 and WAC 314-02-045 need to be revised to allow recapping and removal of sake.

SB 5909 allows manufacturers licensed under RCW 66.24.150 to contract with distilleries, breweries, and wineries to provide packaging services. A new section needs to be created in chapter 314-30 WAC to complement the other section of this chapter regarding sales by manufacturers.

### **Process**

The rule making process begins by announcing the Liquor and Cannabis Board's intent to add new rules and/or make changes to existing rules by filing a CR 101 form. This allows staff and stakeholders to begin discussing rule changes. At the CR 101 stage of the process no proposed language is offered. The public may comment on the subject of this rulemaking during the designated comment period. Notice will be sent to all who have indicated that they want to receive

notice of rule changes. The notice will identify the public comment period and where comments can be sent. Based on public input received, staff will draft proposed changes for presentation to the Board at the next phase of the rule making process.



Washington State  
**Liquor and Cannabis Board**

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**Date:** May 28, 2019

**To:** Jane Rushford, Board Chair  
 Ollie Garrett, Board Member  
 Russ Hauge, Board Member

**From:** Kathy Hoffman, Policy and Rules Coordinator

**Copy:** Rick Garza, Agency Director  
 Pat Kohler, Deputy Director  
 Justin Nordhorn, Chief of Enforcement  
 Becky Smith, Licensing Director

**Subject:** **Approval for filing a pre-proposal statement of inquiry (CR 101) to consider revisions to marijuana packaging and labeling requirements.**

The WSLCB is considering changes WAC 314-55-077(8) and (9), and WAC 314-55-105 related to marijuana packaging and labeling requirements.

**Process**

The Policy and Rules Coordinator requests approval to file the pre-proposal statement of inquiry (CR 101) for the rule making described above. An issue paper on this rule was presented at the Board meeting on May 28, 2019, and is attached to this order.

If approved for filing, the **tentative timeline** for the rule making process is outlined below:

May 28, 2019	Board is asked to approve filing the pre-proposal statement of inquiry (CR 101)
June 19, 2019	Code Reviser publishes notice, LCB sends notice to rules distribution list
July 10, 2019	End of written comment period
September 4, 2019	Board is asked to approve filing the proposed rules (CR 102 filing)
October 16, 2019	End of written comment period
October 16, 2019	Public hearing held
November 13, 2019	Board is asked to adopt rules
November 13, 2019	Agency sends notice to those who commented both at the public hearing and in writing.



November 13, 2019	Agency files adopted rules with the Code Reviser (CR 103)
January 1, 2020	Rules are effective (31 days after filing)*

\*Unless otherwise provided.

\_\_\_\_\_ Approve      \_\_\_\_\_ Disapprove      \_\_\_\_\_  
Jane Rushford, Chair      \_\_\_\_\_  
Date

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

\_\_\_\_\_ Approve      \_\_\_\_\_ Disapprove      \_\_\_\_\_  
Russ Hauge, Board Member      \_\_\_\_\_  
Date

Attachment: Issue Paper

## Issue Paper

# Marijuana Packaging and Labeling Requirements

Date: May 28, 2019

Presented by: Kathy Hoffman, Policy and Rules Coordinator

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## Description of the Issue

Washington State marijuana packaging and labeling regulations have evolved since their initial promulgation in 2013. Originally designed to provide a basic framework, requirements included, but were not limited to what products must be packaged in child-resistant containers, what warning language needed to be on accompanying material, and what traceability information needed to be on every product label. Over time, rules related to packaging and labeling of marijuana products have been revised in response to legislation, and industry growth. Other factors, such as the use of biodegradable packaging, and reduction of the regulated community's environmental impacts suggest that additional options to support industry sustainability should be explored.

However, protecting children and youth from accidental exposure to marijuana products continues to be a public safety priority in Washington State. Assuring that marijuana product packaging is designed and constructed to be significantly difficult for children and youth to open, and requiring labeling that clearly communicates the adult nature of the product continue to be one of the WSLCB's highest priorities. As the industry has grown and evolved, so has the need for the WSLCB to consider refining regulations around the packaging and labeling of these products.

This Issue Paper requests approval from the Board to begin the first stage of rule development by filing a CR 101 to amend and update both WAC 314-55-077(8) and (9), and WAC 314-55-105 regarding marijuana packaging and labeling requirements.

## Reasons why rules may needed:

Rules may be needed for the following reasons:

1. WSLCB received two rule petitions from The Cannabis Alliance on March 11, 2019 as follows:
  - The first petition requested that the WSLCB open WAC 314-55-105 to consider removing the current requirement that marijuana-infused liquid edible products must include a measuring device, such as a measuring cup or dropper;
  - The second petition requested that the WSLCB open WAC 314-55-105 to revised the current requirement that marijuana-infused products for

oral ingestion must be packaged in plastic 4 mil or greater in thickness, and instead, reduce the requirement to plastic 2 mil or greater in thickness.

The Board accepted both of these petitions on April 30, 2019, and consistent with the provisions of RCW 34.05.330, agreed to open the identified rule to consider the petitions and language proposed therein.

2. Engrossed Substitute Senate Bill (ESSB) 5298 (Chapter 393, Laws of 2019) involving marijuana product labeling will become effective January 1, 2020. Among other revisions, ESSB 5298 amended RCW 69.50.345, RCW 69.50.346, and created a new section describing the legislature's intent to allow additional information on the labels and labeling of marijuana products to assist in making purchases of these products. WSLCB is required to align existing rule with the amendments of this legislation, and to the extent possible, within the timeline established by the legislature.
3. The Board approved five Board Interim Policies (BIP) on January 9, 2019 as follows:
  - BIP 05-2018 – Implementation of Cannabis Packaging and Labeling Rule changes;
  - BIP-07-2018 – Marijuana labeling –False and misleading definition clarification;
  - BIP-08-2018 – Marijuana labeling - Curative of therapeutic effects;
  - BIP-09-2018 – Marijuana labeling - Marijuana infused edibles colors and homogenization, specific to WAC 314-55-077(8) and (9); and
  - BIP-10-2018 – Marijuana labeling – Marijuana infused edibles colors.

These BIP end on the effective date of rules to implement each policy. Since the specific sections of rule that these BIP pertain to (WAC 314-55-105) will be open for inquiry based not only The Cannabis Alliance petitions, but on the rule revisions that are necessary to comply with the provisions of ESSB 5298, it is appropriate and timely to consider including the language and provisions of these BIP in rule.

4. The Board may also consider technical and clarifying revisions and adjustments to WAC 314-55-105 and WAC 314-550-077(8) and (9) that will increase clarify and compliance opportunity.

## **Process**

The rule making process begins by announcing LCB's intent to consider changes to existing rules by filing a CR 101 form. This allows staff, stakeholders, industry partners, and all members of the authorizing environment to begin discussing proposed rule changes. At the CR 101 stage of the rulemaking process, no proposed language is offered. Any interested party may comment on the subject of this possible rulemaking during the designated comment period. Notice will be sent to all who have indicated that they want to receive notice of rule activity pertaining to this preproposal inquiry. The notice will identify the public comment period and where comments can be sent.