Date: October 28, 2020

To: Jane Rushford, Board Chair

Ollie Garrett, Board Member Russ Hauge, Board Member

From: Casey Schaufler, Policy and Rules Coordinator

Copy: Rick Garza, Agency Director

Megan Duffy, Deputy Director

Justin Nordhorn, Chief of Enforcement

Becky Smith, Licensing Director

Subject: WAC 314-55-020 – Marijuana license qualifications and application process—Licensing change requests.

The Policy and Rules Coordinator requests approval to file a rule proposal (CR 102) for the rule making described in the CR 102 Memorandum attached to this order and presented at the Board meeting on October 28, 2020.

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

October 28, 2020	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 rules distribution list. Formal comment period begins.
November 18, 2020	Notice published in the Washington State Register.
December 9, 2020	Public hearing held and formal comment period ends.
January 6, 2021	Board is asked to adopt rules if no substantive changes are made (CR 103). Concise Explanatory Statement provided to individuals offering written and oral comment at the public hearing, and 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 rules distribution list.

February 6, 2021	Rules are effective 31 days after filing (unless otherwise
	specified).

X	Approve	_ Disapprove	Jane Rushford, Chair	<u>10.28.2020</u> Date
x	Approve	_ Disapprove	Ollie Garrett, Board Member	<u>10.28.2020</u> Date
x	Approve	_ Disapprove	Russ Hauge, Board Member	10.28.2020 Date

Attachment: CR 102 Memorandum

CR 102 Memorandum

Regarding WAC 314-55-020 – Marijuana license qualifications and application process—Licensing change requests.

Date: October 28, 2020

Presented by: Casey Schaufler, Policy and Rules Coordinator

Background

The Washington State Liquor and Cannabis Board (Board) is generally prohibited from issuing a marijuana license for any premises within 1000 feet of an elementary or secondary school, playground, recreation center, child care center, public park, public transit center, library, or game arcade admission that is not restricted to a person age 21 or older.

A local government may adopt an ordinance that reduces the 1000-foot buffer zone to not less than 100 feet of a recreation center, child care center, public park, public transit center, library, or game arcade admission that is not restricted to a person age 21 or older. The Board may issue a license to marijuana producers, processors, transporters, and retailers in compliance with a local distance-reduction ordinance, so long as the distance reduction will not negatively impact the jurisdiction's civil regulatory enforcement, criminal law enforcement interests, public safety, or public health.

A local government may adopt an ordinance that reduces the 1000-foot buffer zone to not less than 100 feet of all of the above listed entities/facilities for the purpose of licensing a marijuana research facility. However, the distance reduction must not negatively impact the jurisdiction's civil regulatory enforcement, criminal law enforcement interests, public safety, or public health. Before issuing or renewing a marijuana research license for a premises located within 1000 feet, but not less than 100 feet of an elementary school, secondary school, or playground in compliance with a local distance-reduction ordinance, the Board must ensure the facility meets the following requirements:

- The facility must meet a security standard exceeding the standard applicable to marijuana producer, processor, or retailer licensees;
- The facility must be inaccessible to the public and no part of the operation of the facility may be in view of the general public; and
- The facility may bear no advertising or signage indicating it is a marijuana research facility.

Substitute Senate Bill 6206 (Chapter 154, Laws of 2020) amended RCW 69.50.331, now codified as RCW 69.50.331(8)(e), by adding a subsection (e) to create a certificate of compliance for marijuana business premises. The amendment became effective June 11, 2020, and requires that the Board must issue a certificate of compliance for a marijuana business applicant's premises, if the premises meets the statutory buffer zone requirements at the time the application was filed. The certificate allows the licensee to operate the business at the proposed location notwithstanding a later occurring, otherwise disqualifying factor. This certificate is not a license to produce, process, research, or sell marijuana at the location. All other marijuana licensing requirements must be met in order to receive a license or to continue operating under an existing license.

The legislation was designed to prevent a competitor from opening a business that would disqualify another marijuana entity's license application. During legislative testimony, it was noted that this situation has occurred with some frequency, after an applicant had spent the money to secure a lease, and a competitor moved a business (such as an arcade business) next door, violating the zoning restrictions for the new applicant. The legislation provides certainty for applicants with considerable investment in their businesses who are waiting for completion of the Board's license approval process.

Rule Necessity

Amendment to existing rule is necessary to allow the WSLCB to issue a certificate of compliance consistent with the mandates of SSB 6206, now codified as RCW 69.50.331(8).

Description of Rule Changes

Amended Subsection. WAC 314-55-020(6) – The proposed amendment allows the WSLCB to issue a certificate of compliance to an applicant if proposed business premises meets the minimum distance requirement as of the date the application was received by the WSLCB. The proposed amendment also allows applicants granted licenses prior to the future adoption of this rule to operate their business without being affected by a future disqualifying distance factor.

Additionally, existing subsections were renumbered to accommodate this amendment. The statutory reference in subsection (2) was corrected to reflect the codification of SSB 6026 in RCW 69.50.331(8).

Attachments:

Attachment A. (Summary of written comments received following invitation for Public Comment)

Attachment B. (Invitation for Public Comment GovDelivery message sent August 10, 2020).

CR 102 Memo MJ Business Certificate of Compliance

CODE REVISER USE ONLY



Phone: 360-664-1642

PROPOSED RULE MAKING

CR-102 (December 2017) (Implements RCW 34.05.320)

Do **NOT** use for expedited rule making

Agency: Washington	State Liquor	and Cannabis Board	•
☐ Supplemental Not	ice to WSR		
□ Continuance of W	SR		
	ment of Inc	uiry was filed as WSR 20-15-043	; or
☐ Expedited Rule Ma	akingProp	osed notice was filed as WSR	; or
-		:W 34.05.310(4) or 34.05.330(1); or	
□ Proposal is exemp		• • • • • • • • • • • • • • • • • • • •	
Title of rule and othe application process—lrule amendment to es	e r identifyin g Licensing ch tablish a cer	g information: (describe subject) Wange requests. The Washington Sta	AC 314-55-020 – Marijuana license qualifications and ate Liquor and Cannabis Board (Board) is proposing a business premises consistent with Substitute Senate 69.50.331(8)(e).
Hearing location(s):			
Date:	Time:	Location: (be specific)	Comment:
December 9, 2020	10:00am	In response to the coronavirus disease 2019 (COVID-19) public health emergency, the Board will not provide a physical location for this hearing to promote social distancing and the safety of the citizens of Washington state. A virtual public hearing, without a physical meeting space, will be held instead. Board members, presenters, and staff will all participate remotely. The public may login using a computer or device, or call-in using a phone, to listen to the meeting through the WebEx application. The public may provide verbal comments during the specified public comment and rules hearing segments	For more information about board meetings, please visit https://lcb.wa.gov/boardmeetings/board_meetings .
Date of intended ado	ption: Not e	earlier than December 16, 2020 (No	ote: This is NOT the effective date)
Submit written comn	nents to:		
Name: Casey Schaufl	er		
Address: 1025 Union Email: rules@lcb.wa.g Fax: Other: By (date) <u>December 9</u>	gov	Olympia WA 98504	
Assistance for perso		abilities:	
-		ordinator, Human Resources	

Fax: 360-664-9689			
TTY: 7-1-1 or 1-80			
Email: Claris.Nhan	abu@lcb.wa.gov		
Other:			
By (date) December	er 2, 2020		
to prevent a compelegislative testimor money to secure a restrictions for the businesses who arimplements this by proposed business WSLCB. Amended of this rule to opera	etitor from opening a business the py, it was noted that this situation lease, and a competitor moved new applicant. The legislation pre waiting for completion of the Examending WAC 314-55-020(6) is premises meets the minimum of WAC 314-55-020(6), consister attenotwithstanding a later occuring proposal: Amendment to e	ects, including any changes in existing rules: Senat would disqualify another marijuana entity's lice in has occurred with some frequency, after an applicate a business (such as an arcade business) next do rovides certainty for applicants with considerable is Board's license approval process. The proposed in for issuance of certificate of compliance by the Widistance requirement as of the date the application of with SSB 6206, also allows applicants granted litering, otherwise disqualifying minimum distance factions are rule is necessary to allow the WSLCB to issuance, now codified as RCW 69.50.331(8).	nse application. During icant had spent the or, violating the zoning nvestment in their ew rule section SLCB to the applicant if a was received by the censes prior to adoption ctor.
Statutory authorit	ty for adoption: RCW 69.50.34	2; RCW 69.50.345	
Statute being imp	elemented: RCW 69.50.331(8)(e), SSB 6206 (Chapter 154, Laws of 2020)	
Is rule necessary	because of a:		
Federal Law	<i>i</i> ?		☐ Yes ☒ No
Federal Cou	ırt Decision?		☐ Yes ⊠ No
State Court	Decision?		□ Yes ⊠ No
If yes, CITATION:			
Agency comment matters: N/A	is or recommendations, if any	, as to statutory language, implementation, en	forcement, and fiscal
Name of propone	nt: (person or organization) Wa	shington State Liquor and Cannabis Board	□ Private□ Public☑ Governmental
Name of agency p	personnel responsible for:		
	Name	Office Location	Phone
Drafting: Rules Coordinator	Casey Schaufler, Policy and	1025 Union Avenue SE, Olympia WA 98502	360-664-1760
Implementation: Licensing	Becky Smith, Director of	1025 Union Avenue SE, Olympia WA 98502	360-664-1753
Enforcement: Chief	Justin Nordhorn, Enforcement	1025 Union Avenue SE, Olympia WA 98502	360-664-1726
If yes, insert stater	nent here:	uired under RCW 28A.305.135? crict fiscal impact statement by contacting:	□ Yes ⊠ No
Fax: TTY:			

	nail: her:		
Is a cost-bei	nefit analysis required under RCW 34.05.328?		
☐ Yes: Na Add Pho Fax	A preliminary cost-benefit analysis may be obtained me: dress: one: x:	ed by c	contacting:
	Y: nail: her:		
⊠ No:	Please explain: A cost benefit analysis was not reng does not qualify as significant legislative rule or		under RCW 34.05.325 because the subject of proposed rule requiring a cost benefit analysis under RCW
Regulatory I	Fairness Act Cost Considerations for a Small E	Busine	ess Economic Impact Statement:
	posal, or portions of the proposal, may be exemp 5 RCW). Please check the box for any applicable		
adopted sole regulation thi adopted. Citation and		r regula , and d	ations. Please cite the specific federal statute or lescribe the consequences to the state if the rule is not
	CW 34.05.313 before filing the notice of this propo		
☐ This rule			e provisions of RCW 15.65.570(2) because it was
	proposal, or portions of the proposal, is exempt ur	nder R	CW 19.85.025(3). Check all that apply:
	RCW 34.05.310 (4)(b)	\boxtimes	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)
Explanation of	proposal, or portions of the proposal, is exempt ur of exemptions, if necessary: WAC 314-55-020(6) a CW 69.50.331(8)(e).		
	COMPLETE THIS SECTION ON	LY IF I	NO EXEMPTION APPLIES
If the propose	ed rule is not exempt , does it impose more-than-r	minor o	costs (as defined by RCW 19.85.020(2)) on businesses?
this rule. modify, ac (\$100) wh 19.85.020 NAICS tyl does not c in any adi	The rule does not impose any additional regulatory dd cost or otherwise alter the license application posen analyzing whether the rules would have a dispo(3). Below are calculations for minor cost threshologs. Although it is unlikely these rules would result exceed any of the thresholds for any of the license	y burde rocess proporti lds acr t in eve t types ed com	s. The WSLCB applied a default cost of compliance ionate impact on small businesses as defined in RCW ross all license types based on the best analogous en the full default cost of compliance, the minor cost of these rules will not result immunity. For these reasons, the proposed rules do not

2017 Industry NAICS Code	Estimated Cost of Compliance	Industry Description	NAICS Code Title	Minor Cost Estimate - Max of 1%Pay, 0.3%Rev, and \$100	1% of Avg Annual Payroll . (0.01*AvgPay)	0.3% of Avg Annual Gross Business Income (0.003*AvgGBI)
31199	\$ 100.00	Marijuana Processors	All Other Food Manufacturing	\$27,271.78	\$9,424.11 2018 Dataset pulled from USBLS	\$27,271.78 2018 Dataset pulled from DOR
111	\$ 100.00	Marijuana Producers	Crop Production	\$4,082.13	\$4,082.13 2018 Dataset pulled from USBLS	\$2,998.38 2018 Dataset pulled from DOR
453	\$ 100.00	Marijuana Retailers	Miscellaneous Store Retailers	\$2,799.83	\$2,591.39 2018 Dataset pulled from USBLS	\$2,799.83 2018 Dataset pulled from DOR

		Retailers	Store Retailers		USBLS	2018 Dataset pulled from DOR
	Calculations sho impact stateme			•	n-minor cost to busine	esses, and a small business
The pu contact		a copy of the	small business	s economic impa	act statement or the de	etailed cost calculations by
Nan	ne:					
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Pho	ne:					
Fax	:					
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Ema	ail:					
Oth	er:					
ate: Octobe	r 28, 2020			Signature:		
ame: Jane F	Rushford				one Rush	lad

Da Na Title: Board Chair

- WAC 314-55-020 Marijuana license qualifications and application process—Licensing change requests. Each marijuana license application is unique and investigated individually. The WSLCB may inquire and request documents regarding all matters in connection with the marijuana license application. The application requirements for a marijuana license include, but are not limited to, the following:
- (1) Consistent with RCW 69.50.331 (7) and (10), the WSLCB shall send a notice to cities and counties, tribal governments, and port authorities regarding the marijuana license application within said jurisdiction. The local authority, tribal government, or port authority has twenty days to respond with a recommendation to approve the application or an objection to the applicant, location, or both.
- (2) Consistent with RCW 69.50.331 (8) (((e))) (f), the WSLCB shall send a notice to tribal governments when an applicant or licensee is proposed to be located within the exterior boundaries of the reservation of a federally recognized Indian tribe. The tribal government will have twenty days to respond with an approval to the application. If written approval is not received within thirty days, the WSLCB will assume the tribe does not consent to the applicant's location and the applicant must find a new location.
- (3) Applicants for a new marijuana producer, processor, retailer, transportation, or research license and those who apply to change their location must display a sign provided by the WSLCB on the outside of the premises to be licensed notifying the public that the premises are subject to an application for a marijuana license. Posting notices must occur within seven days of submitting the location confirmation form for new licenses or the change of location application for existing licensees. The WSLCB may check for compliance with this requirement at its discretion. The sign must:
- (a) Not be altered. The licensee must post the sign sent by the WSLCB without changing, adding, or subtracting from the text;
- (b) Be conspicuously displayed on, or immediately adjacent to, the premises subject to the application and in the location that is most likely to be seen by the public;
- (c) Be of a size sufficient to ensure that it will be readily seen by the public, at a minimum these signs must be eight and one-half by eleven inches;
- (d) Be posted within seven business days of the date the notice is sent to the applicant by the WSLCB; and
 - (e) The notice must be posted for fourteen consecutive days.
- (4) All marijuana license applicants must meet the qualifications required by the WSLCB before they will be granted a license.
- (5) The WSLCB will verify that the proposed business meets the minimum requirements for the type of marijuana license requested.
- (6) Consistent with RCW 69.50.331 (8)(e), the WSLCB will issue a certificate of compliance if the proposed business premises meets the minimum distance requirements as of the date the application was received by the WSLCB. If the physical location changes during the application process, the certificate of compliance will be issued for the date that the premises change was received by the WSLCB. Applicants who were granted licenses prior to adoption of this rule are al-

[1] OTS-2640.2

<u>lowed to operate the business at the location notwithstanding a later occurring, otherwise disqualifying minimum distance factor.</u>

- $\underline{(7)}$ The WSLCB will conduct an investigation of the applicants' criminal history and administrative violation history, per WAC 314-55-040 and 314-55-045.
- (a) The criminal history background check will consist of completion of a personal/criminal history form provided by the WSLCB and submission of fingerprints to a vendor approved by the WSLCB. The applicant will be responsible for paying all fees required by the vendor for fingerprinting. These fingerprints will be submitted to the Washington state patrol and the Federal Bureau of Investigation for comparison to their criminal records. The applicant will be responsible for paying all fees required by the Washington state patrol and the Federal Bureau of Investigation.
- (b) Financiers will also be subject to criminal history investigations equivalent to that of the license applicant. Financiers will also be responsible for paying all fees required for the criminal history check.
- $((\frac{(7)}{)}))$ (8) The WSLCB will conduct a financial investigation in order to verify the source of funds used for the acquisition and startup of the business, the applicants' right to the real and personal property, and to verify the true party(ies) of interest.
- ((8))) (9) The WSLCB may require a demonstration by the applicant that they are familiar with marijuana laws and rules.
- $((\frac{9}{}))$ $\underline{(10)}$ The WSLCB may conduct an inspection of the proposed or currently licensed business location, to determine if the applicant has complied with all the requirements of the license or change to the license or premises requested.
- (((10))) <u>(11)</u> Under RCW 69.50.331 (1)(c), all applicants applying for a marijuana license must have resided in the state of Washington for at least six months prior to application for a marijuana license. All business entities including, but not limited to, partnerships, employee cooperatives, associations, nonprofit corporations, corporations and limited liability companies, applying for a marijuana license must be formed in Washington. All members, governors, or agents of business entities must also meet the six month residency requirement. Managers or agents who manage a licensee's place of business must also meet the six month residency requirement.
- ((\(\frac{(11)}{12}\))) (12)(a) As part of the application process, each applicant must submit an operating plan outlining required elements for the location as provided in this chapter pertaining to the license type being sought. The operating plan must be submitted using an operating plan format supplied by the WSLCB. This operating plan must also include a floor plan or site plan drawn to scale which illustrates the entire operation being proposed.
- (b) After obtaining a license, the license holder must notify the WSLCB in advance of any change in their operating plan. Prior approval is required before the change may be implemented.
- $((\frac{(12)}{(12)}))$ The WSLCB may place licensing change applications made by a licensee on hold if the change application is reasonably related to an ongoing investigation.
- (a) The WSLCB may withdraw licensing change applications pending the results of an adjudicative proceeding regarding a violation of chapter 314-55 WAC. Depending on the outcome of the adjudicative proceeding, the licensee may reapply for the withdrawn licensing change application(s).

[2] OTS-2640.2

- (b) Examples of licensing change applications that may be affected under this subsection include:
 - (i) Application for additional funding;
 - (ii) Application for added medical marijuana endorsement;
 - (iii) Assumption of a license;
- (iv) Change in governing people, percentage owned, or stock/unit ownership;
 - (v) Change of location;
 - (vi) Expanding plant canopy to maximum allotted;
 - (vii) Request to alter marijuana site or operating plan;
 - (viii) Request to add a processor license; and
 - (ix) Splitting a producer and processor license.
- (((13))) (14)(a) To aid the WSLCB in monitoring the industry as it develops, the WSLCB requests that all applicants and licensees seeking renewal provide the following information:
 - (b) Employees compensation and benefits data.
- (i) Will the applicant/licensee provide a living wage (at least one hundred fifty percent of the state minimum wage) to eighty-five percent or more of its hourly employees?
- (ii) Will the applicant/licensee provide health insurance to at least eighty-five percent of its hourly employees?
- (iii) Will the applicant/licensee provide a defined benefit pension plan to at least eighty-five percent of its hourly employees?
- (iv) Will the applicant/licensee provide five or more paid sick days annually to at least eighty-five percent of its hourly employees?
- (v) Is there a signed labor peace agreement or collective bargaining agreement with a labor organization in place?
- $((\frac{14}{1}))$ (15) Applicants applying for a marijuana license must be current in any tax obligations to the Washington state department of revenue and other state agencies, as an individual or as part of any entity in which they have an ownership interest. Applicants must sign an attestation that, under penalty of denial or loss of licensure, that representation is correct.
- $((\frac{(15)}{)})$ $\underline{(16)}$ The issuance or approval of a license shall not be construed as a license for, or an approval of, any violations of local rules or ordinances including, but not limited to: Building and fire codes, zoning ordinances, and business licensing requirements.
- (((16))) <u>(17)</u> Upon failure to respond to the WSLCB licensing and regulation division's requests for information and/or documentation within the timeline provided, the application may be administratively closed or denial of the application will be sought.







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Invitation for Public Comment: Draft Conceptual Rules for Marijuana Business **Premise Certificate of Compliance**

Washington State Liquor and Cannabis Board sent this bulletin at 08/10/2020 02:56 PM PDT

Having trouble viewing this email? View it as a Web page.



Invitation for Public Comment: Draft Conceptual Rules for Marijuana Business Premise Certificate of Compliance

The Washington State Liquor and Cannabis Board (WSLCB) is seeking public comment regarding draft conceptual rules. These draft conceptual rules are narrowly scoped to include a new rule subsection that provides a marijuana business premise certificate of compliance. A draft, conceptual version of WAC 314-55-020 is linked here. The new subsection (6) is highlighted in blue.

Background

On July 8, 2020, the WSLCB filed a pre-proposal statement of inquiry (CR 101) to consider amending WAC 314-55-020 to establish a certificate of compliance for marijuana business premises consistent with the mandates of Substitute Senate Bill (SSB) 6206 (Chapter 154, Laws of 2020). The CR-101 filing and supporting documents are located here.

Specifically, SSB 6206 amended RCW 69.50.331 to create a certificate of compliance for marijuana business premises, and became effective June 11, 2020. The amendment requires the Board to issue a certificate of compliance for a marijuana business applicant's premises, if the premises met the distance requirements from restricted entities (such as parks, schools, and playgrounds) at the time the application was filed. The certificate allows the licensee to operate the business at the proposed location notwithstanding a

Invitation for Public Comment: Draft Conceptual Rules for Marijuana Business Premise Certificate of Compliance

later occurring, otherwise disqualifying factor regarding restricted entities.

The WSLCB invites and encourages your comment on the draft conceptual rule language offered as WAC 314-55-020 (6). Your feedback will be reviewed and considered before a CR 102, or rule proposal, is presented to the Board for approval.

Public Comment

Please forward your comments to Casey Schaufler at <u>casey.schaufler@lcb.wa.gov</u> by **September 4, 2020.** The CR102 proposal is anticipated to be presented to the Board on or after September 30, 2020.



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CR 102 Memo—Marijuana Business Certificate Compliance Attachment A

Summary of comments received following invitation for public comment.

Source	Commentor	Date Received	Comment
Email	Constance Winter	8/10/2020	I support the new certificate of compliance policy, calling for issuance at the time of application (when the conditions are met) for doing the business. No business should have to move at a later date because a disqualifying business opens nearby. I have connection with the cannabis industry.
Email	Reece Barnett	8/10/2020	This proposal achieves a balance of both limiting disruption in the cannabis business space while allowing future expansion of youth benefiting projects in the future. Given the difficulty of acquiring commercial space. Along with the high cost of improvements, particularly in producing and extraction, the cost to relocate is extreme. It also opens the state up to further lawsuits by parties who feel targeted by new youth centers which could be deemed to be retaliatory under certain circumstances. Furthermore, this proposal will provide an ancillary benefit of observing if Playgrounds, Parks, etc WILL open even if located near a cannabis site. This would provide both the LCB and WA government valuable data for future legislation. I respectfully ask you to consider adopting this measure.
Email	David Benham, Environmental Design Consulting LLC	8/11/2020	I have a few points I want to address. The Tribal Notice should not be an automatic assumption of disapproval if the Tribe does not respond. Like all legal responses the Tribe has an input period they are responsible to utilize and if they do not then they would lose the option of voicing any opinion of approval or disapproval.

CR 102 Memo—Marijuana Business Certificate Compliance Attachment A

Summary of comments received following invitation for public comment.

Email	Harmony Rutter	8/11/2020	After reading the proposed amendment to this WAC, I have no suggestions for its alteration. In its current rendition, the text of the amendment reads smoothly and is easy to understand. It adds a provision for change of location during the application process that is logical and reads as though it was part of the initial document. Thanks for collecting public comment. I am on this mailing list because my domestic partner uses cannabis for managing a chronic pain condition.
Email	Ken Kakuk	8/11/2020	A business buying a Producer Processor license should be able to get a premises approved for relocation of the "newly acquired Producer Processor license" at the same time that they apply for assumption. The way the law is currently the buyer has to assume the license first. If prospective buyers could get a premise approved first or at least at he same time it would facilitate sales. We are retiring and it is a very difficult business to get out of.
Email	Brian Dodge, Globodyne Industries (dba Buds Garage)	8/12/2020	Please remove "minimum distance" from WAC 314-55-020 (6). I think that the WSLCB should avoid explicit reference to distance requirements. There are local municipalities that may grant a variance in the distance set-backs, so, someone could research the history of a particular site location and find that it did not even meet distance requirements back when the license was issued and file a complaint, without knowing that there may have been an approved deviation or variance request. The city of Everett allows for the Planning Director to make variance determinations on his own, which may be subjective or arbitrary. Similar to the "Billboard" definition that the WSLCB came up with, which arbitrarily defines specific numerical distances to the states definition of a billboard, which directly conflicts with local definitions BTW, the WSLCB, in this proposal, is arbitrarily deciding that the business meets "distance requirements" as of the date of application in order to grant a CofC. What distance requirements? Whose distance requirements, WSLCB or Local municipality? Why just those requirements? I suggest the WSLCB just simply state that it met the requirements at that time: (6) Consistent with RCW 69.50.331 (8)(e), the WSLCB will issue a Certificate of Compliance if the proposed business location meets the minimum distance requirements as of the date the application was received by the WSLCB. If the physical location changes during the application process, the Certificate of Compliance will be based on the date that the location change was received by the WSLCB.

CR 102 Memo—Marijuana Business Certificate Compliance Attachment A

Summary of comments received following invitation for public comment.

Email	Faith Lumsden, Code Compiance Director, Seattle Dept. of Construction and Inspections	8/18/2020	The City of Seattle submits the following comment to Notice of Pre-proposal Statement of Inquiry WSR #20-15-043 on establishing a certificate of compliance for marijuana business premises consistent with the mandates of Substitute Senate Bill 6206. The City of Seattle recognizes the certainty desired by applicants when applying for marijuana business licenses. The City requests that the Board clarify the following in any proposed rules regarding SB 6206: -The Notice of Marijuana License Applications (LAN) issued to local jurisdictions will contain the true date of application that WSLCB uses to determine whether to issue a certificate of compliance. -Local jurisdictions will continue to have 20 days after the LAN is issued to object to the applicant's proposed location. Local jurisdictions will use the true date of application in the LAN to determine whether buffering requirements have been met.
Email	Vicki Christopherson and Brooke Davies, WACA	9/4/2020	WACA brought forward SSB 6206 to address concerns expressed by many of our members. We realize that this rule set is technical in nature and straightforward and our input is brief. • If a licensee decides to sell their license while they are in the process of opening their location will the certificate of compliance transfer to the purchaser? • There is currently a policy at the WSLCB called "build out approval" that is very similar to the certificate of compliance, however a licensee must proactively request a "build out approval." WACA recommends clarifying in the draft language that the certificate of compliance is not something you have to request but is automatically granted, if the location meets the minimum distance requirements when the application is received by the WSLCB. The same automatic process would apply if the location changes during the application process. • RCW 69.50.331 uses "distance reduction" and "distance requirements" in (8) to talk about the buffer limits. WAC 314-55-155 also uses the phrase "minimum distance requirements" to discuss proximity of advertising to restricted areas like schools, playgrounds, etc., but neither the RCW or the WAC is consistent in their phrasing for those distance requirements. • WACA suggests clarifying which minimum distance requirements the WSLCB is looking at by changing it to read: • (6) Consistent with RCW 69.50.331 (8)(e), the WSLCB will issue a Certificate of Compliance if the proposed business location premises meets the minimum distance requirements under RCW

CR 102 Memo—Marijuana Business Certificate Compliance

Attachment A

	69.50.331(8)(a)-(d) as of the date the application was received by	69.50.331(8)(a)-(d) as of the date the application was received by the WSLCB. If the physical	
	location of the premises changes during the application process,	the Certificate of Compliance	
	will be based on the date that the application requesting the local	tion change was received by the	
	WSLCB.		