Topic: Petition for Adoption, Amendment, or Repeal of a State

Administrative Rule – Request an exemption to the prohibition of minors under 16 on the premises of licensed cannabis producers and processors as required

by WAC 314-55-015.

Date: August 31, 2022

Presented by: Robert DeSpain, Policy and Rules Coordinator

Background

On July 6, 2022, Crystal Oliver submitted a petition for adoption, amendment, or repeal of a state administrative rule. The petition requests that the agency amend WAC 314-55-015 to allow for an exemption to the prohibition of minors under 16 years of age on the premises of licensed cannabis producers and processors, provided the person under 16 years of age is a child or grandchild of the licensee, is not engaging in any work or act of employment on the premises, and does not possess any products associated with the production, processing, or sales of cannabis.

In the rule petition, Crystal Oliver states:

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

List rule number (WAC), if known:

WAC 314-55-015

I am requesting the following change:

Codification of the 'Minors Present on Premises to Support Families Impacted by School Closures" advisement that has been in place since March 2020.

Specifically, I am requesting an exemption to the prohibition of minors being present on premises of licensed cannabis producers/processors in limited circumstances provided the person under 16 years of age is a child or grandchild of the licensee, the person under 16 years of age is not engaging in any work or act of employment for the licensed business, the person under 16 years of age does not possess any products associated with the production, processing or sales of cannabis.

This change is needed because:

- 1. RCW does not prohibit persons under twenty-one to enter or remain on the licensed premises of a producer or processor.
- 2. This prohibition, when enforced, has a significant negative impact on family owned and women owned farms.
- Family owned and women owned farms have found the agencies current approach of allowing their children and grandchildren on site to be extremely helpful. Licensees report seeing their children more frequently, eating more

- meals with their families, and being able to support their children as they complete homework.
- 4. Producers and processors have demonstrated over the last two plus years that this prohibition is not necessary.
- 5. Increasing equity in the cannabis industry requires change to current rules to increase opportunities for small independent businesses to succeed, this change is small business, women and minority owned business friendly.

The effect of this rule change will be:

To allow grandchildren and children of licensees the ability to be present on the premises of licensed cannabis producers and processors provided the children are under 16 years of age and not engaged in any work activities.

In the email accompanying the petition, Crystal Oliver writes:

"Firstly, I want to thank the WSLCB for their swift action in adopting the advisement to allow minors on site in March of 2020 to support our women owned and family-owned farms when COVID-19 first began impacting our communities. This allowance which has been in place for more than two years has greatly improved the quality of life for our farmers and their families. Family owned and women owned farms report being able to see their children more frequently, eat meals with their children on site, and support them while they complete homework. It needs to be permanently adopted into rule, see attached rule petition."

Issue

Whether the Board should initiate rulemaking to consider an exemption to the prohibition of minors under 16 years of age on the premises of licensed cannabis producers and processors, as required in WAC 314-55-015.

Authority

Laws

RCW 69.50.325 establishes three types of cannabis licenses and describes how each will be regulated.

RCW 69.50.325(1) establishes "a cannabis producer's license **regulated by the board** and subject to annual renewal." (emphasis added)

RCW 69.50.325(2) establishes "a cannabis processor's license to process, package, and label cannabis concentrates, useable cannabis, and cannabis-infused products for sale at wholesale to cannabis processors and cannabis retailers, **regulated by the board** and subject to annual renewal." (emphasis added)

RCW 69.50.342 grants the Board authority to 5adopt rules to put Initiative 502 into effect. The Board is authorized, among other things, to "adopt rules not inconsistent with the spirit of chapter 3, Laws of 2013 as are deemed necessary or advisable." (emphasis added)

RCW 69.50.345 directs the Board to adopt rules that establish the procedures and criteria necessary to implement agency functions.

RCW 69.50.345(6)(a) advises that the Board shall take into consideration "**Security** and safety issues." (emphasis added)

RCW 69.50.345(9)(b) directs the Board to **minimize** "**exposure of people under twenty-one years of age**" **to cannabis** or anything that would encourage or normalize cannabis use. (emphasis added)

Rules

WAC 314-55-015 contains the general information about cannabis licenses.

WAC 314-55-015(2) states:

"(2) All applicants, licensees, and employees working in each licensed establishment must be at least twenty-one years of age. No one under twenty-one years of age is allowed to enter or remain on a cannabis licensed premises except as provided in RCW 69.50.357." (emphasis added)

WAC 314-55-015(3) states:

"(3) Minors restricted signs must be posted at all cannabis licensed premises consistent with the requirements in WAC 314-55-086." (emphasis added)

WAC 314-55-086(1) states:

"(1) All licensed cannabis processors, producers, and retailers, with the exception of licensed retailers with a medical cannabis endorsement, must conspicuously post a notice provided by the board about persons under 21 years of age at each entry to all licensed premises. The notice must contain all of the following language: "Persons under 21 years of age not permitted on these premises."" (emphasis added)

Analysis

Initiative 502 legalized cannabis for recreational use under certain conditions. I-502 also created three new license types and requirements for each license type. Requirements were also created for the producing, processing, and retail sales of cannabis. Using authority from RCW 69.50.325, RCW 69.50.331, RCW 69.50.342, and RCW 69.50.345,

the Board filed the first permanent rules to implement I-502 on October 21, 2013, as WSR 13-21-104¹, with an effective date of November 21, 2013.

WAC 314-55-015, titled "General information about marijuana licenses," was among the first permanent rules adopted to implement I-502. When first adopted WAC 314-55-015 established rules prohibiting minors on the premises of cannabis licensees. When first adopted WAC 314-55-015(2) stated: "All applicants and employees working in each licensed establishment must be at least twenty-one years of age." WAC 314-55-015(3) stated: "Minors restricted signs must be posted at all marijuana licensed premises." No exceptions to the prohibition of persons under twenty-one years of age being allowed to enter or remain on cannabis licensed premises were provided in the initial rules.

In order to implement legislation that passed in the 2015 legislative session (SB 5052 and HB 2136, known as the Cannabis Patient Protection Act) and align the medical marijuana market with the existing recreational market, the Board filed a permanent rule change on May 18, 2016, as WSR 16-11-110⁴, with an effective date of June 18, 2016. Based on the legislative change, WAC 314-55-015(2) was amended to allow for an exception to the prohibition of minors on licensed premises:

"(2) All applicants and employees working in each licensed establishment must be at least twenty-one years of age. No one under twenty-one years of age is allowed to enter or remain on a marijuana licensed premises except as provided in RCW 69.50.357."

The exception contained in RCW 69.50.357 is specific to licensed cannabis retailers, not licensed cannabis producers or processors. The exception is only for qualifying patients under twenty-one years of age with a medical cannabis recognition card.⁵

There are several statutes currently applicable to minors and cannabis⁶, with the focus on the creation of an access barrier. These statutes pertain to prohibition of the delivery, sale, or possession of controlled substances – here, usable cannabis, cannabis concentrates, or cannabis-infused products to persons under twenty-one years of age. The sole exception to the age restriction in these statutes is the same as the exception contained in WAC 314-55-015(2).

Covid-19 outbreak

On March 16, 2020, Governor Inslee issued Proclamation 20-13 in response to the COVID-19 outbreak in Washington State. Proclamation 20-13 placed statewide limits on food and beverage services and areas of congregation, prohibiting the onsite consumption of food or beverages in a public venue, including restaurants, bars, taverns,

¹ https://lawfilesext.leg.wa.gov/law/wsr/2013/21/13-21-104.htm, accessed on 8/4/2022.

² ibid

³ ibid

⁴ https://lawfilesext.leg.wa.gov/law/wsr/2016/11/16-11-110.htm, accessed on 8/4/2022.

⁵ https://app.leg.wa.gov/RCW/default.aspx?cite=69.50.357, accessed on 8/8/2022.

⁶ RCW 69.50.4012, RCW 69.50.4015, RCW 69.50.406, RCW 69.50.414

and other venues where liquor is served. The proclamation expired on March 31, and could be extended.

On March 23, 2020, Governor Inslee issued a "Stay Home - Stay Healthy" proclamation, or Proclamation 20-25, that included an extension of Proclamation 20-13. This proclamation prohibited people in Washington from leaving their homes except to conduct or participate in essential activities, conduct or participate in employment in essential business activities, or both. Although business activity related to cannabis production and processing was deemed essential, there was an indirect impact to business conducted under cannabis licenses such as school and daycare closures as a result of the statewide COVID-19 response.

WSLCB worked with cannabis licensees, industry representatives, and others to explore business options. This included temporary relaxation of certain regulations and practices, including WAC 314-55-015, which prohibits minors being present on the premises of licensed cannabis producers and processors. The allowance temporarily permitted minors under sixteen years of age on licensed cannabis producer and processor premises under the following conditions:

- The person(s) under sixteen years of age is the child or grandchild of the licensee;
- The person(s) under sixteen years of age is not engaging in any work or act of employment for the licensed business; and
- The person(s) under sixteen years of age does not possess any products associated with the production, processing, or sales of cannabis.

Current petition

In this petition, Crystal Oliver requests that the Board initiate rulemaking to consider making a permanent rule change to WAC 314-55-015, modeled on the temporary allowance during the Covid-19 outbreak that allowed minors under sixteen years of age on the premises of licensed cannabis producers and processors, under specific conditions.

Agency staff identified several key issues to consider when evaluating the risks and benefits of creating an exemption to the prohibition of minors under 16 years of age on the premises of licensed cannabis producers and processors:

- Youth access and safety risks
- Enforcement
- Gender equality

Youth access and safety risks

Allowing children and grandchildren of cannabis producer/processor licensees on premises, under specific conditions, allows access to a product, cannabis, that is otherwise age restricted for all persons under twenty-one years of age. There are risks associated with, expanding access that could lead to accidental or intentional

consumption of cannabis. There is risk of increased exposure to cannabis creating a normalizing effect. Additional risks include supervision and safety of the minors under sixteen years of age, particularly while the licensee is working and otherwise unable to monitor the minors, and being exposed to industry machinery, equipment, and products that may pose a safety risk to children. For these reasons, if an exemption to the prohibition of minors on cannabis licensed producer/processor premises is considered, agency staff suggests that determining an appropriate age range for this exemption should be considered. These access and safety risks should also be further explored in the context of federal guidance. Additional safeguards need to be explored with stakeholders to ensure youth access and safety risks are discussed.

Enforcement

Compared to a prohibition of all minors under twenty-one years of age being allowed to enter or remain on the premises of licensed cannabis premises, there are risks related to potential enforcement of such a rule revision. The targeted exception group, minors under sixteen years of age, may not carry identification to verify age. One other condition, that the person(s) be children and grandchildren of licensed cannabis producers/processors may also present challenges. Currently there is only one permanent exemption to the prohibition of minors under twenty-one years of age being allowed on cannabis licensed premises, but it is for retail cannabis and requires person(s) maintain a medical cannabis recognition card. Although there is a temporary allowance in place, related to the Covid-19 outbreak, it was not initially constructed as a permanent exemption. For these reasons, if this exception is considered, agency staff suggest that it is important to develop a procedure or process that identifies the person(s) to whom this exemption will apply.

Gender equality

Gender equality in the cannabis industry was a common stakeholder discussion topic prior to the COVID-19 outbreak, and the outbreak served to amplify the concern. The economic downturn caused by the pandemic had substantial implications for gender equality, both during the slowdown and the subsequent recovery. Compared to "regular" recessions, which affect men's employment more severely than women's employment, the employment drop related to social distancing measures and other responsive measures had a large impact on sectors with high female employment shares and in women-owned businesses. Sharing childcare with neighbors, friends, and elderly grandparents was not necessarily an option any longer. This had a particularly significant impact on working mothers who are business owners. However, now that schools are open again and child care restrictions have been lifted, such exemptions may no longer be necessary. For this reason, if an exemption to the prohibition of minors on cannabis licensed producer/processer facilities is considered, agency staff suggest that it is important to explore needs with stakeholders related to the appropriate age range of minors on premises as well as ongoing school and child care needs.

⁷ https://faculty.wcas.northwestern.edu/mdo738/research/COVID19 Gender March 2020.pdf, last accessed August 11, 2022.

Conclusion

The Board has the statutory authority to amend WAC 314-55-015 regarding the prohibition of persons under twenty-one years of age being allowed to enter or remain on a cannabis licensed premises. Considering the issues related to the prohibition of minors under 16 years of age on the premises of licensed cannabis producers and processors, agency staff find that opening up this subject for further public discussion would be beneficial. Initiating the rulemaking process as requested in the petition would allow the agency to begin collaboratively engaging with stakeholders and any interested members of the public to explore the possibility of creating an exemption to the prohibition of minors under 16 years of age on the premises of licensed cannabis producers and processors.

Recommendation

For the reasons described above, Director's Office staff recommends that consistent with RCW 34.05.330(1)(b), the Board accept Crystal Oliver's rule petition request, received on July 6, 2022, and initiate rulemaking proceedings in accordance with RCW 34.05.310 and 34.05.320 to consider an exemption to the prohibition of minors under 16 years of age on the premises of licensed cannabis producers and processors, as required in WAC 314-55-015.

Board Action

After considering the recommendation of Director's Office staff, the Board accepts/denies the petition for rulemaking received from Crystal Oliver on July 6, 2022.

Accept Deny		
·	David Postman, Chair	Date
Accept Deny	Ollie Garrett, Board Member	Date
Accept Deny	Jim Vollendroff, Board Member	 Date

Attachments

- 1. Rule petition from Crystal Oliver received July 6, 2022.
- 2. Letter from Crystal Oliver received July 6, 2022, with agency reply sent July 6, 2022.
- 3. Laws and Rules cited under the "Authority" section above.

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

In accordance with <u>RCW 34.05.330</u>, 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)

Petitioner's Name Crystal Oliver

Name of Organization N/A

Mailing Address 6008 Athens Beach Rd NW

City Olympia State WA Zip Code 98502

Telephone 509-714-7407 **Email** crystaloliverolympia@gmail.com

INFORMATION ON RULE PETITION

Agency responsible for adopting or administering the rule: Washington State Liquor & Cannabis Board

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

List rule number (WAC), if known:

WAC 314-55-015

I am requesting the following change:

Codification of the 'Minors Present on Premises to Support Families Impacted by School Closures" advisement that has been in place since March 2020.

Specifically, I am requesting an exemption to the prohibition of minors being present on premises of licensed cannabis producers/processors in limited circumstances provided the person under 16 years of age is a child or grandchild of the licensee, the person under 16 years of age is not engaging in any work or act of employment for the licensed business, the person under 16 years of age does not possess any products associated with the production, processing or sales of cannabis.

This change is needed because:

- RCW does not prohibit persons under twenty-one to enter or remain on the licensed premises of a producer or processor.
- 2. This prohibition, when enforced, has a significant negative impact on family owned and women owned farms.
- 3. Family owned and women owned farms have found the agencies current approach of allowing their children and grandchildren on site to be extremely helpful. Licensees report seeing their children more frequently, eating more meals with their families, and being able to support their children as they complete homework.
- 4. Producers and processors have demonstrated over the last two plus years that this prohibition is not necessary.
- 5. Increasing equity in the cannabis industry requires change to current rules to increase opportunities for small independent businesses to succeed, this change is small business, women and minority owned business friendly.

The effect of this rule change will be:

To allow grandchildren and children of licensees the ability to be present on the premises of licensed cannabis producers and processors provided the children are under 16 years of age and not engaged in any work activities.

From: <u>DeSpain, Robert (LCB)</u>

To: <u>Crystal Oliver</u>
Cc: <u>LCB DL Rules</u>

Subject: RE: 7/6/22 Petitions to Allow Minors on Premises

Date: Wednesday, July 6, 2022 5:10:30 PM

Good evening Crystal,

Thank you for submitting two petitions to adopt, amend, or repeal state administrative rules.

Both of your petitions were received today, Wednesday, July 6, 2022. Consistent with <u>RCW</u> 34.05.330 and <u>WAC 82-05-040</u>, the Board has 60 days after submission of a rulemaking petition to either:

- (a) deny the petition in writing, stating (i) its reasons for the denial, specifically addressing the concerns raised by the petitioner, and, where appropriate, (ii) the alternative means by which it will address the concerns raised by the petitioner, or
- (b) initiate rule-making proceedings in accordance with RCW 34.05.320.

The Board will have until September 4, 2022, to take action as detailed above.

Please let me know if you have any additional questions or concerns.

Cheers, Robert

Robert DeSpain, JD (he/him/his)

Policy and Rules Coordinator Washington State Liquor and Cannabis Board (360) 664-4519 **Desk** | (360) 878-4235 **Mobile** robert.despain@lcb.wa.gov

From: Crystal Oliver <crystaloliverolympia@gmail.com>

Sent: Wednesday, July 6, 2022 1:11 PM **To:** LCB DL Rules <rules@lcb.wa.gov>

Cc: Kildahl, Jeff (LCB) < jeff.kildahl@lcb.wa.gov>; DeSpain, Robert (LCB)

<robert.despain@lcb.wa.gov>; Hoffman, Katherine (LCB) <katherine.hoffman@lcb.wa.gov>

Subject: 7/6/22 Petitions to Allow Minors on Premises

DATE: July 6th, 2022 FROM: Crystal Oliver

RE: 7/6/22 Petitions to Allow Minors on Premises

Kathy Hoffman et al,

Firstly, I want to thank the WSLCB for their swift action in adopting the advisement to allow minors on site in March of 2020 to support our women owned and family-owned farms when COVID-19 first began impacting our communities. This allowance which has been in place for more than two years has greatly improved the quality of life for our farmers and their families. Family owned and women owned farms report being able to see their children more frequently, eat meals with their children on site, and support them while they complete homework. It needs to be permanently adopted into rule, see attached rule petition.

Secondly, I have attached another petition that addresses the need for an additional exemption to the minor on site prohibition for employees of contractors engaged in construction, electrical, plumbing, HVAC work, etc. Over the years I have heard complaints from many farmers and construction companies who have been negatively impacted by this. Most crews engaged in construction related activities employ young people to support and learn from more experienced trades persons. Provided the employee is over the age of 16 and not engaging in any work related directly to the production, processing, or sales of cannabis it seems reasonable to allow these workers the ability to earn income and learn from more experienced trades persons.

Both requests today would contribute to WSLCB's key policy agenda goal to support the success, sustainability, viability, and resilience of Washington's small businesses in a post-COVID-19 economy.

Highest Regards, Crystal Oliver, MPA

- RCW 69.50.325 Cannabis producer's license, cannabis processor's license, cannabis retailer's license. (1) There shall be a cannabis producer's license regulated by the board and subject to annual renewal. The licensee is authorized to produce: (a) Cannabis for sale at wholesale to cannabis processors and other cannabis producers; (b) immature plants or clones and seeds for sale to cooperatives as described under RCW 69.51A.250; and (c) immature plants or clones and seeds for sale to qualifying patients and designated providers as provided under RCW 69.51A.310. The production, possession, delivery, distribution, and sale of cannabis in accordance with the provisions of this chapter and the rules adopted to implement and enforce it, by a validly licensed cannabis producer, shall not be a criminal or civil offense under Washington state law. Every cannabis producer's license shall be issued in the name of the applicant, shall specify the location at which the cannabis producer intends to operate, which must be within the state of Washington, and the holder thereof shall not allow any other person to use the license. The application fee for a cannabis producer's license shall be two hundred fifty dollars. The annual fee for issuance and renewal of a cannabis producer's license shall be one thousand three hundred eighty-one dollars. A separate license shall be required for each location at which a cannabis producer intends to produce cannabis.
- (2) There shall be a cannabis processor's license to process, package, and label cannabis concentrates, useable cannabis, and cannabis-infused products for sale at wholesale to cannabis processors and cannabis retailers, regulated by the board and subject to annual renewal. The processing, packaging, possession, delivery, distribution, and sale of cannabis, useable cannabis, cannabis-infused products, and cannabis concentrates in accordance with the provisions of this chapter and chapter 69.51A RCW and the rules adopted to implement and enforce these chapters, by a validly licensed cannabis processor, shall not be a criminal or civil offense under Washington state law. Every cannabis processor's license shall be issued in the name of the applicant, shall specify the location at which the licensee intends to operate, which must be within the state of Washington, and the holder thereof shall not allow any other person to use the license. The application fee for a cannabis processor's license shall be two hundred fifty dollars. The annual fee for issuance and renewal of a cannabis processor's license shall be one thousand three hundred eighty-one dollars. A separate license shall be required for each location at which a cannabis processor intends to process cannabis.
- (3) (a) There shall be a cannabis retailer's license to sell cannabis concentrates, useable cannabis, and cannabis-infused products at retail in retail outlets, regulated by the board and subject to annual renewal. The possession, delivery, distribution, and sale of cannabis concentrates, useable cannabis, and cannabis-infused products in accordance with the provisions of this chapter and the rules adopted to implement and enforce it, by a validly licensed cannabis retailer, shall not be a criminal or civil offense under Washington state law. Every cannabis retailer's license shall be issued in the name of the applicant, shall specify the location of the retail outlet the licensee intends to operate, which must be within the state of Washington, and the holder thereof shall not allow any other person to use the license. The application fee for a cannabis retailer's license shall be two hundred fifty dollars. The annual fee for issuance and renewal of a cannabis retailer's license shall be one thousand three

hundred eighty-one dollars. A separate license shall be required for each location at which a cannabis retailer intends to sell cannabis concentrates, useable cannabis, and cannabis-infused products.

- (b) An individual retail licensee and all other persons or entities with a financial or other ownership interest in the business operating under the license are limited, in the aggregate, to holding a collective total of not more than five retail cannabis licenses.
- (c)(i) A cannabis retailer's license is subject to forfeiture in accordance with rules adopted by the board pursuant to this section.
- (ii) The board shall adopt rules to establish a license forfeiture process for a licensed cannabis retailer that is not fully operational and open to the public within a specified period from the date of license issuance, as established by the board, subject to the following restrictions:
- (A) No cannabis retailer's license may be subject to forfeiture within the first nine months of license issuance; and
- (B) The board must require license forfeiture on or before twenty-four calendar months of license issuance if a cannabis retailer is not fully operational and open to the public, unless the board determines that circumstances out of the licensee's control are preventing the licensee from becoming fully operational and that, in the board's discretion, the circumstances warrant extending the forfeiture period beyond twenty-four calendar months.
- (iii) The board has discretion in adopting rules under this subsection (3)(c).
- (iv) This subsection (3)(c) applies to cannabis retailer's licenses issued before and after July 23, 2017. However, no license of a cannabis retailer that otherwise meets the conditions for license forfeiture established pursuant to this subsection (3)(c) may be subject to forfeiture within the first nine calendar months of July 23, 2017.
- (v) The board may not require license forfeiture if the licensee has been incapable of opening a fully operational retail cannabis business due to actions by the city, town, or county with jurisdiction over the licensee that include any of the following:
- (A) The adoption of a ban or moratorium that prohibits the opening of a retail cannabis business; or
- (B) The adoption of an ordinance or regulation related to zoning, business licensing, land use, or other regulatory measure that has the effect of preventing a licensee from receiving an occupancy permit from the jurisdiction or which otherwise prevents a licensed cannabis retailer from becoming operational.
- (d) The board may issue cannabis retailer licenses pursuant to this chapter and RCW 69.50.335. [2022 c 16 \S 54; 2020 c 236 \S 6; 2018 c 132 \S 3. Prior: 2017 c 317 \S 1; 2017 c 316 \S 2; 2016 c 170 \S 1; 2015 c 70 \S 5; 2014 c 192 \S 2; 2013 c 3 \S 4 (Initiative Measure No. 502, approved November 6, 2012).]

Intent—Finding—2022 c 16: See note following RCW 69.50.101.

Findings—Intent—2020 c 236: See note following RCW 69.50.335.

Effective date—2018 c 132 § 3: "Section 3 of this act takes effect July 1, 2018." [2018 c 132 § 4.]

Findings-2017 c 317: "The legislature finds that protecting the state's children, youth, and young adults under the legal age to purchase and consume marijuana [cannabis], by establishing limited restrictions on the advertising of marijuana [cannabis] and marijuana [cannabis] products, is necessary to assist the state's efforts to discourage and prevent underage consumption and the potential risks associated with underage consumption. The legislature finds that these restrictions assist the state in maintaining a strong and effective regulatory and enforcement system as specified by the federal government. The legislature finds this act leaves ample opportunities for licensed marijuana [cannabis] businesses to market their products to those who are of legal age to purchase them, without infringing on the free speech rights of business owners. Finally, the legislature finds that the state has a substantial and compelling interest in enacting this act aimed at protecting Washington's children, youth, and young adults." [2017 c 317 § 12.]

Application—2017 c 317: "This act applies prospectively only and not retroactively. It applies only to causes of action that arise (if change is substantive) or that are commenced (if change is procedural) on or after July 23, 2017." [2017 c 317 § 25.]

Effective date—2017 c 316 §§ 2 and 3: "Sections 2 and 3 of this act take effect July 1, 2018." [2017 c 316 § 4.]

Effective date—2016 c 170: "This act takes effect July 1, 2016." [2016 c 170 § 3.]

Short title—Findings—Intent—References to Washington state liquor control board—Draft legislation—2015 c 70: See notes following RCW 66.08.012.

Intent-2013 c 3 (Initiative Measure No. 502): See note following RCW 69.50.101.

- RCW 69.50.342 State liquor and cannabis board—Rules. (1) For the purpose of carrying into effect the provisions of chapter 3, Laws of 2013 according to their true intent or of supplying any deficiency therein, the board may adopt rules not inconsistent with the spirit of chapter 3, Laws of 2013 as are deemed necessary or advisable. Without limiting the generality of the preceding sentence, the board is empowered to adopt rules regarding the following:
- (a) The equipment and management of retail outlets and premises where cannabis is produced or processed, and inspection of the retail outlets and premises where cannabis is produced or processed;
- (b) The books and records to be created and maintained by licensees, the reports to be made thereon to the board, and inspection of the books and records;
- (c) Methods of producing, processing, and packaging cannabis, useable cannabis, cannabis concentrates, and cannabis-infused products; conditions of sanitation; safe handling requirements; approved pesticides and pesticide testing requirements; and standards of ingredients, quality, and identity of cannabis, useable cannabis, cannabis concentrates, and cannabis-infused products produced, processed, packaged, or sold by licensees;
- (d) Security requirements for retail outlets and premises where cannabis is produced or processed, and safety protocols for licensees and their employees;
- (e) Screening, hiring, training, and supervising employees of licensees;
 - (f) Retail outlet locations and hours of operation;
- (g) Labeling requirements and restrictions on advertisement of cannabis, useable cannabis, cannabis concentrates, cannabis health and beauty aids, and cannabis-infused products for sale in retail outlets;
- (h) Forms to be used for purposes of this chapter and chapter 69.51A RCW or the rules adopted to implement and enforce these chapters, the terms and conditions to be contained in licenses issued under this chapter and chapter 69.51A RCW, and the qualifications for receiving a license issued under this chapter and chapter 69.51A RCW, including a criminal history record information check. The board may submit any criminal history record information check to the Washington state patrol and to the identification division of the federal bureau of investigation in order that these agencies may search their records for prior arrests and convictions of the individual or individuals who filled out the forms. The board must require fingerprinting of any applicant whose criminal history record information check is submitted to the federal bureau of investigation;
- (i) Application, reinstatement, and renewal fees for licenses issued under this chapter and chapter 69.51A RCW, and fees for anything done or permitted to be done under the rules adopted to implement and enforce this chapter and chapter 69.51A RCW;
- (j) The manner of giving and serving notices required by this chapter and chapter 69.51A RCW or rules adopted to implement or enforce these chapters;
- (k) Times and periods when, and the manner, methods, and means by which, licensees transport and deliver cannabis, cannabis concentrates, useable cannabis, and cannabis-infused products within the state;
- (1) Identification, seizure, confiscation, destruction, or donation to law enforcement for training purposes of all cannabis, cannabis concentrates, useable cannabis, and cannabis-infused products

produced, processed, sold, or offered for sale within this state which do not conform in all respects to the standards prescribed by this chapter or chapter 69.51A RCW or the rules adopted to implement and enforce these chapters;

- (m) The prohibition of any type of device used in conjunction with a cannabis vapor product and the prohibition of the use of any type of additive, solvent, ingredient, or compound in the production and processing of cannabis products, including cannabis vapor products, when the board determines, following consultation with the department of health or any other authority the board deems appropriate, that the device, additive, solvent, ingredient, or compound may pose a risk to public health or youth access; and
- (n) Requirements for processors to submit under oath to the department of health a complete list of all constituent substances and the amount and sources thereof in each cannabis vapor product, including all additives, thickening agents, preservatives, compounds, and any other substance used in the production and processing of each cannabis vapor product.
- (2) Rules adopted on retail outlets holding medical cannabis endorsements must be adopted in coordination and consultation with the department.
- (3) The board must adopt rules to perfect and expand existing programs for compliance education for licensed cannabis businesses and their employees. The rules must include a voluntary compliance program created in consultation with licensed cannabis businesses and their employees. The voluntary compliance program must include recommendations on abating violations of this chapter and rules adopted under this chapter. [2022 c 16 § 63; 2020 c 133 § 3; 2019 c 394 § 4; 2015 2nd sp.s. c 4 § 1601; 2015 c 70 § 7; 2013 c 3 § 9 (Initiative Measure No. 502, approved November 6, 2012).]

Intent—Finding—2022 c 16: See note following RCW 69.50.101.

Findings—2020 c 133: "The legislature finds that recent reports of lung illnesses associated with vapor products demand serious attention by the state in the interest of protecting public health and preventing youth access. While state law grants the liquor and cannabis board broad authority to regulate vapor products containing marijuana [cannabis], the legislature finds that risks to public health and youth access can be mitigated by clarifying that the board is granted specific authority to prohibit the use of any additive, solvent, ingredient, or compound in marijuana [cannabis] vapor product production and processing and to prohibit any device used in conjunction with a marijuana [cannabis] vapor product." [2020 c 133 § 1.]

Effective date—2020 c 133: "This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect immediately [March 25, 2020]." [2020 c 133 § 5.]

Findings—2019 c 394: See note following RCW 69.50.563.

Findings—Intent—Effective dates—2015 2nd sp.s. c 4: See notes following RCW 69.50.334.

Short title—Findings—Intent—References to Washington state liquor control board—Draft legislation—2015 c 70: See notes following RCW 66.08.012.

Intent—2013 c 3 (Initiative Measure No. 502): See note following RCW 69.50.101.

- RCW 69.50.345 State liquor and cannabis board—Rules—Procedures and criteria. (Effective until July 1, 2024.) The board, subject to the provisions of this chapter, must adopt rules that establish the procedures and criteria necessary to implement the following:
- (1) Licensing of cannabis producers, cannabis processors, and cannabis retailers, including prescribing forms and establishing application, reinstatement, and renewal fees.
- (a) Application forms for cannabis producers must request the applicant to state whether the applicant intends to produce cannabis for sale by cannabis retailers holding medical cannabis endorsements and the amount of or percentage of canopy the applicant intends to commit to growing plants determined by the department under RCW 69.50.375 to be of a THC concentration, CBD concentration, or THC to CBD ratio appropriate for cannabis concentrates, useable cannabis, or cannabis-infused products sold to qualifying patients.
- (b) The board must reconsider and increase limits on the amount of square feet permitted to be in production on July 24, 2015, and increase the percentage of production space for those cannabis producers who intend to grow plants for cannabis retailers holding medical cannabis endorsements if the cannabis producer designates the increased production space to plants determined by the department under RCW 69.50.375 to be of a THC concentration, CBD concentration, or THC to CBD ratio appropriate for cannabis concentrates, useable cannabis, or cannabis-infused products to be sold to qualifying patients. If current cannabis producers do not use all the increased production space, the board may reopen the license period for new cannabis producer license applicants but only to those cannabis producers who agree to grow plants for cannabis retailers holding medical cannabis endorsements. Priority in licensing must be given to cannabis producer license applicants who have an application pending on July 24, 2015, but who are not yet licensed and then to new cannabis producer license applicants. After January 1, 2017, any reconsideration of the limits on the amount of square feet permitted to be in production to meet the medical needs of qualifying patients must consider information contained in the medical cannabis authorization database established in RCW 69.51A.230;
- (2) Determining, in consultation with the office of financial management, the maximum number of retail outlets that may be licensed in each county, taking into consideration:
 - (a) Population distribution;
 - (b) Security and safety issues;
- (c) The provision of adequate access to licensed sources of cannabis concentrates, useable cannabis, and cannabis-infused products to discourage purchases from the illegal market; and
- (d) The number of retail outlets holding medical cannabis endorsements necessary to meet the medical needs of qualifying patients. The board must reconsider and increase the maximum number of retail outlets it established before July 24, 2015, and allow for a new license application period and a greater number of retail outlets to be permitted in order to accommodate the medical needs of qualifying patients and designated providers. After January 1, 2017, any reconsideration of the maximum number of retail outlets needed to meet the medical needs of qualifying patients must consider information contained in the medical cannabis authorization database established in RCW 69.51A.230;

- (3) Determining the maximum quantity of cannabis a cannabis producer may have on the premises of a licensed location at any time without violating Washington state law;
- (4) Determining the maximum quantities of cannabis, cannabis concentrates, useable cannabis, and cannabis-infused products a cannabis processor may have on the premises of a licensed location at any time without violating Washington state law;
- (5) Determining the maximum quantities of cannabis concentrates, useable cannabis, and cannabis-infused products a cannabis retailer may have on the premises of a retail outlet at any time without violating Washington state law;
- (6) In making the determinations required by this section, the board shall take into consideration:
 - (a) Security and safety issues;
- (b) The provision of adequate access to licensed sources of cannabis, cannabis concentrates, useable cannabis, and cannabis-infused products to discourage purchases from the illegal market; and
- (c) Economies of scale, and their impact on licensees' ability to both comply with regulatory requirements and undercut illegal market prices;
- (7) Determining the nature, form, and capacity of all containers to be used by licensees to contain cannabis, cannabis concentrates, useable cannabis, and cannabis-infused products, and their labeling requirements;
- (8) In consultation with the department of agriculture and the department, establishing classes of cannabis, cannabis concentrates, useable cannabis, and cannabis infused products according to grade, condition, cannabinoid profile, THC concentration, CBD concentration, or other qualitative measurements deemed appropriate by the board;
- (9) Establishing reasonable time, place, and manner restrictions and requirements regarding advertising of cannabis, cannabis concentrates, useable cannabis, and cannabis-infused products that are not inconsistent with the provisions of this chapter, taking into consideration:
- (a) Federal laws relating to cannabis that are applicable within Washington state;
- (b) Minimizing exposure of people under twenty-one years of age to the advertising;
- (c) The inclusion of medically and scientifically accurate information about the health and safety risks posed by cannabis use in the advertising; and
- (d) Ensuring that retail outlets with medical cannabis endorsements may advertise themselves as medical retail outlets;
- (10) Specifying and regulating the time and periods when, and the manner, methods, and means by which, licensees shall transport and deliver cannabis, cannabis concentrates, useable cannabis, and cannabis-infused products within the state;
- (11) In consultation with the department and the department of agriculture, establishing accreditation requirements for testing laboratories used by licensees to demonstrate compliance with standards adopted by the board, and prescribing methods of producing, processing, and packaging cannabis, cannabis concentrates, useable cannabis, and cannabis-infused products; conditions of sanitation; and standards of ingredients, quality, and identity of cannabis, cannabis concentrates, useable cannabis, and cannabis-infused products produced, processed, packaged, or sold by licensees;

(12) Specifying procedures for identifying, seizing, confiscating, destroying, and donating to law enforcement for training purposes all cannabis, cannabis concentrates, useable cannabis, and cannabis-infused products produced, processed, packaged, labeled, or offered for sale in this state that do not conform in all respects to the standards prescribed by this chapter or the rules of the board. [2022 c 16 § 64; 2019 c 393 § 2; 2018 c 43 § 2; 2015 c 70 § 8; 2013 c 3 § 10 (Initiative Measure No. 502, approved November 6, 2012).]

Expiration date—2022 c 16 $\S\S$ 64 and 67: "Sections 64 and 67 of this act expire July 1, 2024." [2022 c 16 \S 173.]

Intent—Finding—2022 c 16: See note following RCW 69.50.101.

Effective date—2019 c 393: "This act takes effect January 1, 2020." [2019 c 393 § 6.]

Intent—2019 c 393: See note following RCW 69.50.346.

Short title—Findings—Intent—References to Washington state liquor control board—Draft legislation—2015 c 70: See notes following RCW 66.08.012.

Intent—2013 c 3 (Initiative Measure No. 502): See note following
RCW 69.50.101.

- RCW 69.50.345 State liquor and cannabis board—Rules—Procedures and criteria. (Effective July 1, 2024.) The board, subject to the provisions of this chapter, must adopt rules that establish the procedures and criteria necessary to implement the following:
- (1) Licensing of cannabis producers, cannabis processors, and cannabis retailers, including prescribing forms and establishing application, reinstatement, and renewal fees.
- (a) Application forms for cannabis producers must request the applicant to state whether the applicant intends to produce cannabis for sale by cannabis retailers holding medical cannabis endorsements and the amount of or percentage of canopy the applicant intends to commit to growing plants determined by the department under RCW 69.50.375 to be of a THC concentration, CBD concentration, or THC to CBD ratio appropriate for cannabis concentrates, useable cannabis, or cannabis-infused products sold to qualifying patients.
- (b) The board must reconsider and increase limits on the amount of square feet permitted to be in production on July 24, 2015, and increase the percentage of production space for those cannabis producers who intend to grow plants for cannabis retailers holding medical cannabis endorsements if the cannabis producer designates the increased production space to plants determined by the department under RCW 69.50.375 to be of a THC concentration, CBD concentration, or THC to CBD ratio appropriate for cannabis concentrates, useable cannabis, or cannabis-infused products to be sold to qualifying patients. If current cannabis producers do not use all the increased production space, the board may reopen the license period for new cannabis producer license applicants but only to those cannabis producers who agree to grow plants for cannabis retailers holding medical cannabis endorsements. Priority in licensing must be given to

cannabis producer license applicants who have an application pending on July 24, 2015, but who are not yet licensed and then to new cannabis producer license applicants. After January 1, 2017, any reconsideration of the limits on the amount of square feet permitted to be in production to meet the medical needs of qualifying patients must consider information contained in the medical cannabis authorization database established in RCW 69.51A.230;

- (2) Determining, in consultation with the office of financial management, the maximum number of retail outlets that may be licensed in each county, taking into consideration:
 - (a) Population distribution;
 - (b) Security and safety issues;
- (c) The provision of adequate access to licensed sources of cannabis concentrates, useable cannabis, and cannabis-infused products to discourage purchases from the illegal market; and
- (d) The number of retail outlets holding medical cannabis endorsements necessary to meet the medical needs of qualifying patients. The board must reconsider and increase the maximum number of retail outlets it established before July 24, 2015, and allow for a new license application period and a greater number of retail outlets to be permitted in order to accommodate the medical needs of qualifying patients and designated providers. After January 1, 2017, any reconsideration of the maximum number of retail outlets needed to meet the medical needs of qualifying patients must consider information contained in the medical cannabis authorization database established in RCW 69.51A.230;
- (3) Determining the maximum quantity of cannabis a cannabis producer may have on the premises of a licensed location at any time without violating Washington state law;
- (4) Determining the maximum quantities of cannabis, cannabis concentrates, useable cannabis, and cannabis-infused products a cannabis processor may have on the premises of a licensed location at any time without violating Washington state law;
- (5) Determining the maximum quantities of cannabis concentrates, useable cannabis, and cannabis-infused products a cannabis retailer may have on the premises of a retail outlet at any time without violating Washington state law;
- (6) In making the determinations required by this section, the board shall take into consideration:
 - (a) Security and safety issues;
- (b) The provision of adequate access to licensed sources of cannabis, cannabis concentrates, useable cannabis, and cannabis-infused products to discourage purchases from the illegal market; and
- (c) Economies of scale, and their impact on licensees' ability to both comply with regulatory requirements and undercut illegal market prices;
- (7) Determining the nature, form, and capacity of all containers to be used by licensees to contain cannabis, cannabis concentrates, useable cannabis, and cannabis-infused products, and their labeling requirements;
- (8) In consultation with the department of agriculture and the department, establishing classes of cannabis, cannabis concentrates, useable cannabis, and cannabis-infused products according to grade, condition, cannabinoid profile, THC concentration, CBD concentration, or other qualitative measurements deemed appropriate by the board;
- (9) Establishing reasonable time, place, and manner restrictions and requirements regarding advertising of cannabis, cannabis

concentrates, useable cannabis, and cannabis-infused products that are not inconsistent with the provisions of this chapter, taking into consideration:

- (a) Federal laws relating to cannabis that are applicable within Washington state;
- (b) Minimizing exposure of people under twenty-one years of age to the advertising;
- (c) The inclusion of medically and scientifically accurate information about the health and safety risks posed by cannabis use in the advertising; and
- (d) Ensuring that retail outlets with medical cannabis endorsements may advertise themselves as medical retail outlets;
- (10) Specifying and regulating the time and periods when, and the manner, methods, and means by which, licensees shall transport and deliver cannabis, cannabis concentrates, useable cannabis, and cannabis-infused products within the state;
- (11) In consultation with the department and the department of agriculture, prescribing methods of producing, processing, and packaging cannabis, cannabis concentrates, useable cannabis, and cannabis-infused products; conditions of sanitation; and standards of ingredients, quality, and identity of cannabis, cannabis concentrates, useable cannabis, and cannabis-infused products produced, processed, packaged, or sold by licensees;
- (12) Specifying procedures for identifying, seizing, confiscating, destroying, and donating to law enforcement for training purposes all cannabis, cannabis concentrates, useable cannabis, and cannabis-infused products produced, processed, packaged, labeled, or offered for sale in this state that do not conform in all respects to the standards prescribed by this chapter or the rules of the board. [2022 c 16 § 65. Prior: 2019 c 393 § 2; 2019 c 277 § 6; 2018 c 43 § 2; 2015 c 70 § 8; 2013 c 3 § 10 (Initiative Measure No. 502, approved November 6, 2012).]

Effective date—2022 c 16 §§ 65 and 68: "Sections 65 and 68 of this act take effect July 1, 2024." [2022 c 16 § 174.]

Intent—Finding—2022 c 16: See note following RCW 69.50.101.

Effective date—2019 c 393: "This act takes effect January 1, 2020." [2019 c 393 § 6.]

Intent—2019 c 393: See note following RCW 69.50.346.

Effective date—2019 c 277 §§ 2 and 6: See note following RCW 69.50.348.

Short title—Findings—Intent—References to Washington state liquor control board—Draft legislation—2015 c 70: See notes following RCW 66.08.012.

Intent—2013 c 3 (Initiative Measure No. 502): See note following
RCW 69.50.101.

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General information about marijuana licenses.

- (1) A person or entity must meet certain qualifications under this chapter to receive a marijuana license, which are continuing qualifications required to maintain the license.
- (2) All applicants, licensees, and employees working in each licensed establishment must be at least twenty-one years of age. No one under twenty-one years of age is allowed to enter or remain on a marijuana licensed premises except as provided in RCW 69.50.357.
- (3) Minors restricted signs must be posted at all marijuana licensed premises consistent with the requirements in WAC **314-55-086**.
- (4) A marijuana license applicant may not exercise any of the privileges of a marijuana license until the WSLCB approves the license application.
- (5) The WSLCB will not approve any marijuana license for a location where law enforcement access, without notice or cause, is limited. This includes a personal residence.
 - (6) The WSLCB will not approve any marijuana license for a location on federal lands.
- (7) The WSLCB will not approve any marijuana license within the exterior boundaries of the reservation of a federally recognized tribe without the express written consent of the tribe. If a tribe receives written notice from the WSLCB of a license application or change request under RCW **69.50.331** and the tribe does not respond to the WSLCB within thirty days of the date of that notice, the WSLCB will assume the tribe does not consent to the location of the applicant or licensee and the applicant or licensee must find a different location.
- (8) The WSLCB will not approve any marijuana retailer license for a location within another business with the exception of the research license consistent with WAC **314-55-073**. More than one license may be located in the same building if each licensee has their own area separated by full walls with their own entrance, or if the same business entity holds a producer license and a processor license at the same location under a single license number. Product may not be commingled.
- (9) Every marijuana licensee must post and keep posted its license, or licenses, and any additional correspondence containing conditions and restrictions imposed by the WSLCB in a conspicuous place on the premises.
- (10) In approving a marijuana license, the WSLCB reserves the right to impose special conditions as to the involvement in the operations of the licensed business of any former licensees, their former employees, or any person who does not qualify for a marijuana license.
- (11) A marijuana producer, processor or retailer licensed by the WSLCB must conduct the production, processing, storage, and sale of marijuana-infused products using sanitary practices.
- (12) Marijuana licensees may not allow the consumption of marijuana or marijuana-infused products on or within the licensed premises.

[Statutory Authority: RCW **69.50.325**, **69.50.342**, **69.50.345**, and **69.50.369**. WSR 18-22-055, § 314-55-015, filed 10/31/18, effective 12/1/18. Statutory Authority: RCW **69.50.342** and **69.50.345**. WSR 16-11-110, § 314-55-015, filed 5/18/16, effective 6/18/16; WSR 15-11-107, § 314-55-015, filed 5/20/15, effective 6/20/15. Statutory Authority: RCW **69.50.325**, **69.50.331**, **69.50.342**, **69.50.345**. WSR 13-21-104, § 314-55-015, filed 10/21/13, effective 11/21/13.]

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PDF WAC 314-55-086

Mandatory signage.

- (1) All licensed cannabis processors, producers, and retailers, with the exception of licensed retailers with a medical cannabis endorsement, must conspicuously post a notice provided by the board about persons under 21 years of age at each entry to all licensed premises. The notice must contain all of the following language: "Persons under 21 years of age not permitted on these premises."
- (2) All licensed retailers with a medical cannabis endorsement must conspicuously post a notice provided by the board regarding persons under 21 years of age at each entry to all licensed medical cannabis premises. The notice must contain all of the following language: "Persons under 21 years of age not permitted on these premises without a valid qualifying patient card. Qualifying patients under the age of 18 must be accompanied by their designated provider at all times."
- (3) All licensed cannabis retailers must conspicuously post a sign provided by the board regarding the use of cannabis during pregnancy and breastfeeding as follows:
 - (a) At each point of sale; and
 - (b) In a location easily visible to employees.
- (4) All licensed cannabis retailers must conspicuously post a notice provided by the board prohibiting the opening of a package of cannabis or cannabis-infused product in public or consumption of cannabis or cannabis-infused products in public. The notice must be posted in plain view at the main entrance of the cannabis retail establishment.
- (5) All licensed cannabis processors, producers, and retailers must conspicuously post on the premises and make available their current and valid master license or licenses with appropriate endorsements for inspection by board enforcement officers.
- (6) Firearms prohibited signs provided by the board must be posted at the entrance of each producer, processor, and retailer licensed location.

[Statutory Authority: RCW **69.50.342** and 2022 c 16 § 168. WSR 22-14-111, § 314-55-086, filed 7/6/22, effective 8/6/22. Statutory Authority: RCW **69.50.342** and **69.50.345**. WSR 19-10-076, § 314-55-086, filed 5/1/19, effective 6/1/19; WSR 16-11-110, § 314-55-086, filed 5/18/16, effective 6/18/16; WSR 15-11-107, § 314-55-086, filed 5/20/15, effective 6/20/15. Statutory Authority: RCW **69.50.325**, **69.50.331**, **69.50.342**, **69.50.345**. WSR 13-21-104, § 314-55-086, filed 10/21/13, effective 11/21/13.]