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

Administrative Rule – Request an exemption to the prohibition of employees of contractors under 21 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 employees or contractors under twenty-one years of age on the premises of licensed cannabis producers and processors, provided the person is at least sixteen years of age, is an employee of a contractor engaged in construction, electrical, plumbing, HVAC, etc., and is not engaging in work directly related to 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:

Create an exemption to the prohibition of minors being present on premises of licensed cannabis producers/processors for employees of contractors engaged in construction, electrical, plumbing, HVAC, work etc. provided the person is over the age of 16 and not engaging in any work related directly to 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. Most crews engaged in construction related activities employ one or more young persons to support and learn from more experienced trades persons.
- 3. The prohibition on all minors presence on premises creates additional, unnecessary hardship for small independent businesses and family owned contractors and construction companies.

The effect of this rule change will be:

To allow employees under the age of 21 of contractors engaged in construction, electrical, plumbing, HVAC, work etc. the ability to be present on the premises of licensed cannabis producers and processors provided the person is over the age of 16 and not engaging in any work related directly to the production, processing, or sales of cannabis.

Ms. Oliver submitted two rule petitions with similar characteristics. The first petition has been analyzed under separate cover. With respect to the petition analyzed here, Ms. Oliver writes:

"...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."

Issue

Whether the Board should initiate rulemaking to consider an exemption to the prohibition of employees of independent contractors on the premises of licensed cannabis producers and processors, as required by WAC 314-55-015, provided the person is at least sixteen years of age, is an employee of an independent contractor engaged in construction, electrical, plumbing, HVAC, etc., and is not engaging in work directly related to the production, processing, or sales of cannabis.

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 adopt 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)

WAC 314-55-010(10) states:

"(10) "Employee" means any person performing services on a licensed premises for the benefit of the licensee whether or not such person is compensated by the licensee."

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).

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

Current petition

In this petition, Crystal Oliver requests that the Board initiate rulemaking to consider an exemption to the prohibition of employees of contractors under 21 years of age on the premises of licensed cannabis producers and processors, as required by WAC 314-55-015, provided the person is at least sixteen years of age, is an employee of a contractor engaged in construction, electrical, plumbing, HVAC, etc., and is not engaging in work directly related to the production, processing, or sales of cannabis.

Agency staff identified several key issues to consider when evaluating the risks and benefits of creating an exemption to the prohibition of minors under 21 years of age on the premises of licensed cannabis producers and processors:

- Youth access and safety risks
- Enforcement
- Meaning of "employee" in 314-55 WAC

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. One condition of the exception is that persons be employed by contractors and not engaged in work directly related to the production, processing, or sale of cannabis. This exemption may present enforcement challenges without additional procedures in place, such as requiring employees of contractors maintain proper identification, maintenance of a list of all contractors that work on-site, or both, including duration, frequency, and a full list of all employees that are at least sixteen and under twenty-one years of age. 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. For these reasons, if this exception is considered

agency staff find that it will be important to develop procedures, records, and or processes that identify the person(s) to whom this exemption will apply. Additional stakeholder engagement is suggested to further explore this issue.

Meaning of "employee" in 314-55 WAC

If this exemption is considered the definition of "employee", as defined in Chapter 314-55 WAC may need to be reconsidered. WAC 314-55-010(10) defines "Employee" as "any person performing services on a licensed premises for the benefit of the licensee whether or not such person is compensated by the licensee." WAC 314-55-015(2) states that all employees working in each licensed establishment must be twenty-one years of age or older. This exemption is sought for employees of an independent contractor. Determining whether a contractor is independent or is acting as an employee of the cannabis producer/processor can be fact-driven, but this exemption would only apply to employees of independent contractors. For this reason, if this exemption is considered, agency staff find that it would be helpful to engage with stakeholders to determine if any additional procedures need to be implemented to ensure that this exemption only applies to employees of independent contractors not engaging in work directly related to the production, processing, or sales of cannabis.

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 21 years of age on the premises of licensed cannabis producers and processors, agency staff find that considering 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 21 years of age on the premises of licensed cannabis producers and processors for employees of independent contractors.

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

⁷ "Independent contractor" is defined as "a person hired to do work who controls how the work is done." Independent contractor, Merriam-Webster.com, https://www.merriam-webster.com/dictionary/independent%20contractor, last accessed August 11, 2022;

The IRS website provides: "The general rule is that an individual is an independent contractor if the payer has the right to control or direct only the result of the work and not what will be done and how it will be done." They also advise that "whether these people are independent contractors or employees depends on the facts in each case." <a href="https://www.irs.gov/businesses/small-businesses-self-employed/independent-contractor-defined#:~:text=The%20general%20rule%20is%20that,then%20you%20are%20self%2Demployed, last accessed August 11, 2022.

34.05.320 to consider an exemption to the prohibition of employees of independent contractors on the premises of licensed cannabis producers and processors, as required by WAC 314-55-015, provided the person is at least sixteen years of age, is an employee of an independent contractor engaged in construction, electrical, plumbing, HVAC, etc., and is not engaging in work directly related to the production, processing, or sales of cannabis.

Board Action

After considering the recommendation of Director's Office staff, the Board accepts/denie	S
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.

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:

Create an exemption to the prohibition of minors being present on premises of licensed cannabis producers/processors for employees of contractors engaged in construction, electrical, plumbing, HVAC, work etc. provided the person is over the age of 16 and not engaging in any work related directly to 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. Most crews engaged in construction related activities employ one or more young persons to support and learn from more experienced trades persons.
- 3. The prohibition on all minors presence on premises creates additional, unnecessary hardship for small independent businesses and family owned contractors and construction companies.

The effect of this rule change will be:

To allow employees under the age of 21 of contractors engaged in construction, electrical, plumbing, HVAC, work etc. the ability to be present on the premises of licensed cannabis producers and processors provided the person is over the age of 16 and not engaging in any work related directly to the production, processing, or sales of cannabis.

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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PDF WAC 314-55-015

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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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.]

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PDF WAC 314-55-010

Definitions.

The following definitions apply for the purpose of this chapter in addition to the definitions provided in RCW **69.50.101**.

- (1) "Applicant" or "cannabis license applicant" means any person or business entity who is considered by the WSLCB as a true party of interest in a cannabis license, as outlined in WAC **314-55-035**. However, for purposes of determining an application's priority under RCW **69.50.331** (1)(a), only the person or business entity that is applying for the license will be considered the applicant.
- (2) "Batch" means a quantity of cannabis-infused product containing material from one or more lots of cannabis.
- (3) "Business name" or "trade name" means the name of a licensed business as used by the licensee on signs and advertising.
- (4) "Characterizing flavor" means a noticeable taste, other than one of cannabis, resulting from an additive or combination of additives including, but not limited to, fruit, spice, herbs, alcohol, candy, or menthol, or that is noticeable before or during consumption of the cannabis product.
- (5) "Child care center" means an entity that regularly provides child day care and early learning services for a group of children for periods of less than 24 hours licensed by the Washington state department of early learning under chapter **170-295** WAC.
- (6) "Consultant" means an expert who provides advice or services in a particular field, whether a fee is charged or not. A consultant who is in receipt of, or has the right to receive, a percentage of the gross or net profit from the licensed business during any full or partial calendar or fiscal year is a true party of interest and subject to the requirements of WAC **314-55-035**. A consultant who exercises any control over an applicant's or licensee's business operations is also subject to the requirements of WAC **314-55-035**(4).
- (7) "Cooperative" means a group of more than one, but no more than four qualified medical cannabis patients and/or designated providers who share responsibility for growing and processing cannabis only for the medical use of the members of the cooperative.
- (8) "Domicile" means a person's true, fixed, primary permanent home and place of habitation and the tax parcel on which it is located. It is the place where the person intends to remain and to which the person expects to return when the person leaves without intending to establish a new domicile elsewhere.
- (9) "Elementary school" means a school with a physical location for early education that provides the first four to eight years of basic education and recognized by the Washington state superintendent of public instruction.
- (10) "Employee" means any person performing services on a licensed premises for the benefit of the licensee whether or not such person is compensated by the licensee.
- (11) "End product" means a cannabis product that requires no further processing prior to retail sale.
- (12) "Financier" means any person or entity, other than a banking institution, that provides money as a gift or loans money to the applicant/business and expects to be paid back the amount of the loan with or without reasonable interest.
- (13) "Game arcade" means an entertainment venue featuring primarily video games, simulators, and/or other amusement devices where persons under twenty-one years of age are not restricted.
- (14) "Harvest" means the cannabis plant material derived from plants of the same strain that were cultivated at the same licensed location and gathered at the same time.
- (15) "Immature plant or clone" means a cannabis plant or clone that has no flowers, is less than 12 inches in height, and is less than 12 inches in diameter.

(16) "Intermediate product" means cannabis flower lots or other material lots that have been converted by a cannabis processor to a cannabis mix lot, cannabis concentrate or cannabis-infused product that must be or are intended to be converted further to an end product.

- (17) "Library" means an organized collection of resources made accessible to the public for reference or borrowing supported with money derived from taxation.
- (18) "Licensed premises" means all areas of a premises where the licensee has leasehold rights as listed in the property lease submitted to the board. Any vehicle assigned for the purposes of transporting cannabis, useable cannabis, cannabis concentrates, or cannabis-infused products shall be considered an extension of the licensed premises.
- (19) "Licensee" or "cannabis licensee" means any person or entity that holds a cannabis license, or any person or entity who is a true party of interest in a cannabis license, as outlined in WAC **314-55-035**.
 - (20) "Lot" means either of the following:
- (a) The flowers from one or more cannabis plants of the same strain. A single lot of flowers cannot weigh more than five pounds; or
- (b) The trim, leaves, or other plant matter from one or more cannabis plants. A single lot of trim, leaves, or other plant matter cannot weigh more than 15 pounds.
- (21) "Lozenge" means a cannabis-infused product such as a hard candy, mint, pastille, tablet, or similar type of edible product that is generally swallowed whole, chewed and swallowed, or dissolved in the mouth.
- (22) "Cannabis strain" means a pure breed or hybrid variety of Cannabis reflecting similar or identical combinations of properties such as appearance, taste, color, smell, cannabinoid profile, and potency.
- (23) "Cannabis mix" means an intermediate lot that contains multiple strains of useable cannabis and is chopped or ground so no particles are greater than 3 mm.
- (24) "Cannabis mix infused" or "mix infused" means an end product that contains cannabis mix and may contain other intermediate products or useable cannabis.
- (25) "Cannabis mix packaged" or "mix packaged" means an end product containing only cannabis mix and no other product types.
- (26) "Member," except as that term is used in relation to registered cooperatives, means a principal or governing person of a given entity including, but not limited to: LLC member/manager, president, vice president, secretary, treasurer, CEO, director, stockholder, partner, general partner, limited partner. This includes all spouses of all principals or governing persons named in this definition and referenced in WAC **314-55-035**.
- (27) "Paraphernalia" means items used for the storage or use of useable cannabis, cannabis concentrates, or cannabis-infused products, such as, but not limited to, lighters, roach clips, pipes, rolling papers, bongs, and storage containers. Items for growing, cultivating, and processing cannabis, such as, but not limited to, butane, lights, and chemicals are not considered "paraphernalia."
- (28) "Pesticide" means, but is not limited to: (a) Any substance or mixture of substances intended to prevent, destroy, control, repel, or mitigate any insect, rodent, snail, slug, fungus, weed, and any other form of plant or animal life or virus, except virus on or in a living person or other animal which is normally considered to be a pest; (b) any substance or mixture of substances intended to be used as a plant regulator, defoliant, or desiccant; and (c) any spray adjuvant. Pesticides include substances commonly referred to as herbicides, fungicides, insecticides, and cloning agents.
 - (29) "Perimeter" means a property line that encloses an area.
 - (30) "Plant" means a cannabis plant.
- (31) "Plant canopy" means the square footage dedicated to live plant production, such as maintaining mother plants, propagating plants from seed to plant tissue, clones, vegetative or flowering area. Plant canopy does not include areas such as space used for the storage of fertilizers, pesticides, or other products, guarantine, office space, etc.

(32) "Playground" means a public outdoor recreation area for children, usually equipped with swings, slides, and other playground equipment, owned and/or managed by a city, county, state, federal government, or metropolitan park district.

- (33) "Product(s) otherwise taken into the body" means a cannabis-infused product for human consumption or ingestion intended for uses other than inhalation, oral ingestion, or external application to the skin.
- (34) "Public park" means an area of land for the enjoyment of the public, having facilities for rest and/or recreation, such as a baseball diamond or basketball court, owned and/or managed by a city, county, state, federal government, or metropolitan park district. Public park does not include trails.
- (35) "Public transit center" means a facility located outside of the public right of way that is owned and managed by a transit agency or city, county, state, or federal government for the express purpose of staging people and vehicles where several bus or other transit routes converge. They serve as efficient hubs to allow bus riders from various locations to assemble at a central point to take advantage of express trips or other route to route transfers.
- (36) "Recreation center or facility" means a supervised center that provides a broad range of activities and events intended primarily for use by persons under 21 years of age, owned and/or managed by a charitable nonprofit organization, city, county, state, federal government, or metropolitan park district.
- (37) "Residence" means a person's address where he or she physically resides and maintains his or her abode.
- (38) "Secondary school" means a high and/or middle school with a physical location: A school for students who have completed their primary education, usually attended by children in grades seven to 12 and recognized by the Washington state superintendent of public instruction.
- (39) "Selling price" means the same meaning as in RCW **82.08.010**, except that when the product is sold under circumstances where the total amount of consideration paid for the product is not indicative of its true value. Selling price means the true value of the product sold as determined or agreed to by the WSLCB. For purposes of this subsection:
- (a) "Product" means cannabis, cannabis concentrates, useable cannabis, or cannabis-infused products; and
- (b) "True value" means market value based on sales at comparable locations in the state of the same or similar product of like quality and character sold under comparable conditions of sale to comparable purchasers. In the absence of such sales of the same or similar product, true value means the value of the product sold as determined by all of the seller's direct and indirect costs attributed to the product.
- (40) "Terpenes" means a class of compounds that impart smell, taste, or both occurring in the cannabis plant which consist of a carbon skeleton derived from isoprene units. The word "terpene" may include, but is not limited to, the following:
- (a) "Botanical terpenes" means constituents derived from a spice, fruit, vegetable or vegetable juice, edible yeast, herb, bark, bud, root, or leaf or similar plant material. Their significant function in cannabis products is flavoring. This includes:
- (i) Essential oil, which is natural oil typically obtained by distillation and possessing the characteristic fragrance of the plant or other source from which it is extracted;
 - (ii) Oleoresin, which is a natural or artificial mixture of essential oils and a resin;
 - (iii) Distillate; or
 - (iv) Any product of roasting, heating, or enzymolysis which contains terpenes.
- (b) "Synthetic terpenes" means any terpene that does not occur in the cannabis plant, or in other botanical sources, and is produced through chemical manipulation in a laboratory or similar facility.
- (c) "Terpenoids" means the natural products and related compounds formally derived from isoprene units, or "isoprenoids," that have the same meaning as that found in the current version of the International Union of Pure and Applied Chemistry (IUPAC) and as hereafter amended.

(41) "Unit" means an individually packaged cannabis-infused solid or liquid product meant to be eaten or swallowed, not to exceed 10 servings or 100 milligrams of active tetrahydrocannabinol (THC), or Delta 9.

(42) "WSLCB" means the Washington state liquor and cannabis board.

[Statutory Authority: RCW **69.50.342** and 2022 c 16 § 168. WSR 22-14-111, § 314-55-010, filed 7/6/22, effective 8/6/22. Statutory Authority: RCW **69.50.342** and **69.50.345**. WSR 21-05-075, § 314-55-010, filed 2/17/21, effective 3/20/21. Statutory Authority: RCW **69.50.325**, **69.50.342**, **69.50.345**, and **69.50.369**. WSR 18-22-055, § 314-55-010, filed 10/31/18, effective 12/1/18. Statutory Authority: RCW **69.50.342** and **69.50.345**. WSR 16-11-110, § 314-55-010, filed 5/18/16, effective 6/18/16; WSR 15-11-107, § 314-55-010, 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, § 314-55-010, filed 10/21/13, effective 11/21/13.]