



Washington State Liquor and Cannabis Board

DATE: April 12, 2023
TO: Chandra Brady, Enforcement Director
FROM: David Postman, Board Chair
Ollie Garrett, Board Member
Jim Vollendroff, Board Member
CC: Rick Garza, Director

SUBJECT: Threshold Decision Delegation (Tobacco and Vapor) to the Enforcement and Education Division

BACKGROUND: In June 2009 the Liquor and Cannabis Board received statutory authority to approve or deny retail cigarette and tobacco product license applications. In 2016 the Liquor and Cannabis Board received statutory authority to approve or deny retail vapor product applications. The Board wishes to delegate certain Tobacco and Vapor Product Enforcement decisions to the Enforcement Director without the ability to further delegate those decisions, and to authorize the Enforcement Director to further delegate other decisions, as set out below.

ENFORCEMENT DIRECTOR

The Enforcement Director will make the threshold decision on any file that has or appears to generate significant controversy in their opinion. The Deputy Chiefs will bring to the attention of the Director any applications or files deemed controversial.

DELEGATION OF THRESHOLD DETERMINATIONS

The Director of Enforcement and Education may delegate the following threshold decisions to a Deputy Chief or the Tobacco Tax and Vapor Product Captain of the Enforcement and Education Division:

APPLICABLE RULE:

- **RCW 70.345.020(2). Types of licenses – Applications – License expiration and display.**
- **WAC 314-35-027 Qualifying for a vapor product license.**
- **WAC 314-33-005 Reasons the board may deny a cigarette or tobacco products license application.**
- **RCW 82.24.510(2) Wholesaler's and retailer's licenses—Application and issuance—Criminal background check.**
- **RCW 82.26.150(2) Distributor's license, retailer's License-Application-Approval-Display.**

License Applications where the applicant does not qualify for a license based on one or more of the following factors:

Vapor Products: RCW 70.345.020(2)

The board may refuse to issue any license under this chapter if the board has reasonable cause to believe that the applicant has willfully withheld information requested for the purpose of determining the eligibility of the applicant to receive a license, or if the board has reasonable cause to believe that information submitted in the application is false or misleading or is not made in good faith.

Cigarettes: RCW 82.24.510

The board may refrain from the issuance of any license under this chapter if the board has reasonable cause to believe that the applicant has willfully withheld information requested for the purpose of determining the eligibility of the applicant to receive a license, or if the board has reasonable cause to believe that information submitted in the application is false or misleading or is not made in good faith.

Tobacco: RCW 82.26.150

The board may refuse to issue any license under this chapter if the board has reasonable cause to believe that the applicant has willfully withheld information requested for the purpose of determining the eligibility of the applicant to receive a license, or if the board has reasonable cause to believe that information submitted in the application is false or misleading or is not made in good faith.

Cigarette and Tobacco Products: WAC 314-33-005

The following is a list of reasons the board may deny a cigarette or tobacco products license application:

- (1) Failure to meet qualifications or requirements for the specific cigarette or tobacco products license, as outlined in this chapter and chapters 82.24 and 82.26 RCW.
- (2) Failure to submit information or documentation requested by the board.
- (3) Misrepresentation of fact by any applicant.
- (4) Willfully withholding information.
- (5) Submitting false or misleading information.
- (6) The applicant has failed to submit payments of the taxes imposed under chapter 82.24 or 82.26 RCW along with reports and returns to the department of revenue as required.
- (7) If the applicant is a corporation and the corporation is not currently registered with the secretary of state.
- (8) The applicant is currently the subject of an outstanding felony arrest warrant.
- (9) The existence of disqualifying criminal history standards outlined in WAC 314-33-020.
- (10) The existence of disqualifying liquor and cigarette and tobacco products law or rule violation history standards outlined in WAC 314-33-025. Objection from the local authority or from the public (see WAC 314-09-010 and RCW 66.24.010).
- The board determines that the issuance of the liquor license will not be in the best interest of the welfare, health, or safety of the people of the state.

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- Failure to pay taxes or fees, or failure to provide required reports under WAC 314-02-106.

License Restrictions:

Those reasons that could cause restrictions to be imposed on license per WAC 314-33-025:

The board will conduct an investigation of all applicants' liquor and cigarette and tobacco products law and/or rule administrative violation history. The board will not normally issue a cigarette and tobacco products license to a person, or to an entity that has the following violation history or to any person that has demonstrated a pattern of disregard for laws or rules: Four or more violations within the last two years of the date the application is received by the board.

License Revocation/Suspension:

- Criminal conduct on the part of the licensee is discovered.
- Licensee fails to provide required documentation for change in ownership structure where the change has already taken place.

APPROVED this ____ day of _____, 2023

David Postman
Board Chair

Ollie Garrett
Board Member

Jim Vollandroff
Board Member