

#### Washington State Liquor and Cannabis Board

Date:	February 28, 2024
То:	David Postman, Board Chair Ollie Garrett, Board Member Jim Vollendroff, Board Member
From:	Denise Laflamme, Rules Coordinator
Сору:	Will Lukela, Agency Director Toni Hood, Agency Deputy Director Chandra Wax, Director of Enforcement and Education Becky Smith, Licensing Director Justin Nordhorn, Policy and External Affairs Director Cassidy West, Rules & Policy Manager
Subject:	Approval to file a pre-proposal statement of inquiry (CR 101) to consider amending WAC 314-55-015 related to allowing persons

under 21 on non-retail licensed premises

The Washington State Liquor and Cannabis Board (Board) is considering rulemaking to amend <u>WAC 314-55-015</u> to allow certain persons under the age of 21 on the premises of licensed cannabis producers and processors, under limited circumstances.

## Process

The Rules Coordinator requests approval to file the pre-proposal statement of inquiry (CR 101) for the rule making described above. A CR 101 Memorandum was presented at the Board meeting on February 28, 2024, and is attached to this order.

If approved for filing, the <u>tentative timeline</u> for the rule making process is outlined below:

February 28, 2024	<ul> <li>Board is asked to approve filing pre-proposal statement of inquiry (CR 101).</li> <li>CR 101 is filed with the Office of the Code Reviser.</li> <li>Webpage is updated and notice circulated by GovDelivery distribution list.</li> <li>Informal comment period begins.</li> </ul>
March 20, 2024	Notice is published in the Washington State Register under WSR 24-06.
March 29, 2024	Informal comment period ends
July 17, 2024	Board is asked to approve filing proposed rules (CR 102). CR 102 is filed with the Office of the Code Reviser.

	Webpage is updated and notice circulated by the rules distribution list. Formal comment period begins.
August 7, 2024	Notice is published in the Washington State Register under WSR 24-15.
August 28, 2024	Public hearing is held and formal comment period ends.
	Board is asked to adopt rules if no substantive changes are made (CR 103).
September 11, 2024	Concise Explanatory Statement is provided to individuals offering written or oral comment at the public hearing or during the formal comment period, consistent with RCW 34.05.325. CR 103 and adopted rules are filed with the Office of the Code Reviser. Webpage is updated and notice circulated by GovDelivery distribution list.
October 12, 2024	Rules are effective 31 days after filing unless otherwise specified. See RCW 34.05.380(2).

Approve	Disapprove		
		David Postman, Chair	Date
Approve	Disapprove		
		Ollie Garrett, Board Member	Date
Approve	Disapprove	Jim Vollendroff, Board Member	Date
			Date

Attachments: CR 101 Memorandum



#### **CR 101 Memorandum**

# Regarding WAC 314-55-015 allowing minors under the age of 21 on licensed premises of cannabis producers and processors.

Date:February 28, 2024Presented by:Denise Laflamme, Rules Coordinator

#### Background

In August 2022, the Board accepted two petitions, both from Crystal Oliver, to consider rulemaking to amend WAC 314-55-015(2) to allow for exemptions to the prohibition of persons under the age of 21 on the premises of licensed cannabis producers and processors. One petition requested that the Liquor and Cannabis Board (LCB) codify a <u>temporary cannabis license allowance</u>, put in place in March 2020 in response to Covid-19, that permitted minors under sixteen years of age on licensed premises of cannabis producers and processors, in limited circumstances. These circumstances included that the child under sixteen was a child or grandchild of the licensee, was not engaging in any work or act of employment for the licensed business, and did not possess any products associated with the production, processing, or sales of cannabis. This allowance expired on December 31, 2022.

The second petition requested that employees, under the age of twenty-one, of contractors engaged in construction, electrical, plumbing, HVAC work, etc. be permitted on licensed premises of cannabis producers and processors, provided the person is over the age of sixteen and not engaging in any work related to production, processing or sales of cannabis.

Under <u>WAC 314-55-015(2)</u>, no one under 21 years of age may enter or remain on cannabis licensed premises except as provided in <u>RCW 69.50.357</u>, which allows qualifying patients under 21 years of age on the premises of retail outlets only, under certain conditions. Statute explicitly prohibits the delivery, sale, or possession of cannabis products to persons under 21 years of age but does not prohibit persons under 21 years of age to enter or remain on the licensed premises of a producer or processor. The Board has broad statutory authority to adopt rules that regulate producer and processor licenses as provided in RCW 69.50.325, RCW 69.50.342, and RCW 69.50.345.

Since January 2024, LCB has received over fifty-five emails in support of, and one email opposing, rule changes to allow children under sixteen on the premises of licensed cannabis producers and processors, under certain circumstances. Most of the emails in support contained the following points, which are similar to language submitted in the original petition:

- 1. The current prohibition on minors entering licensed premises is not mandated by RCW and appears to be an unnecessary restriction.
- 2. Enforcing this prohibition negatively impacts family-owned and womenowned farms, hindering family time and support systems.
- 3. Licensees have reported positive outcomes from allowing children and grandchildren on site, such as increased family time and academic support.
- 4. There have been no significant issues related to minors' presence on the premises over the past two-plus years.
- 5. This rule change promotes equity in the cannabis industry, benefiting small, independent, women, and minority-owned businesses.

#### Reasons Why Rulemaking Is Needed

Rulemaking is needed to consider amending WAC 314-55-015 to allow certain persons under the age of 21 on the licensed premises of producers and processors. Amending the rules may provide additional flexibility and support for small businesses and family-owned operations.

#### Process

The negotiated rulemaking process begins by announcing the Board's intent to consider changes to existing rules, add new rule sections, or both by filing a preproposal statement of inquiry (CR 101) form with the Office of the Code Reviser. This allows staff, stakeholders, and agency partners to begin discussing possible rule changes.

At the CR 101 stage of the rulemaking process, no proposed language is offered. Any interested person may comment on this possible rulemaking during the designated comment periods. Engagement sessions will also be held to allow stakeholders and other interested parties to engage with LCB to formulate proposed rules.

CODE REVISER USE ONLY

# PREPROPOSAL STATEMENT

# CR-101 (October 2017) (Implements RCW 34.05.310)

Do NOT use for expedited rule making

Agency: Washington State Liquor and Cannabis Board

**Subject of possible rule making:** Title 314 WAC. The Washington State Liquor and Cannabis Board (LCB) is considering amending WAC 314-55-015 to allow persons under 21 years of age on licensed premises of cannabis producers and processors under certain conditions.

Statutes authorizing the agency to adopt rules on this subject: RCW 69.50.325; RCW 69.50.342; RCW 69.50.345

**Reasons why rules on this subject may be needed and what they might accomplish:** In August 2022, the Board accepted two petitions, both from the same petitioner, to consider rulemaking to amend WAC 314-55-015(2) to allow for exemptions to the prohibition of persons under the age of 21 on the premises of licensed cannabis producers and processors. One petition requested that the Liquor and Cannabis Board (LCB) codify a temporary cannabis license allowance, put in place in March 2020 in response to Covid-19, that permitted minors under sixteen years of age on licensed premises of cannabis producers and processors, in limited circumstances. These circumstances included that the child under sixteen was a child or grandchild of the licensee, was not engaging in any work or act of employment for the licensed business, and did not possess any products associated with the production, processing, or sales of cannabis. This allowance expired on December 31, 2022.

The second petition requested that employees, under the age of twenty-one, of contractors engaged in construction, electrical, plumbing, HVAC work, etc. be permitted on licensed premises of cannabis producers and processors, provided the person is over the age of sixteen and not engaging in any work related to production, processing or sales of cannabis.

Under WAC 314-55-015(2), no one under 21 years of age may enter or remain on cannabis licensed premises except as provided in RCW 69.50.357, which allows qualifying patients under 21 years of age on the premises of retail outlets only, under certain conditions. Statute explicitly prohibits the delivery, sale, or possession of cannabis products to persons under 21 years of age but does not prohibit persons under 21 years of age to enter or remain on the licensed premises of a producer or processor. The Board has broad statutory authority to adopt rules that regulate producer and processor licenses as provided in RCW 69.50.325, RCW 69.50.342, and RCW 69.50.345.

Identify other federal and state agencies that regulate this subject and the process coordinating the rule with these agencies:

Process for developing new rule (check all that apply):

- Negotiated rule making
- □ Pilot rule making
- □ Agency study
- □ Other (describe)

# Interested parties can participate in the decision to adopt the new rule and formulation of the proposed rule before publication by contacting:

Name: Denise Laflamme, Rules Coordinator Address: PO Box 43080, Olympia WA 98504 Phone: 360-819-0452 Fax: 360-704-5027 (If necessary) Name: Address: Phone: Fax:

TTY:	TTY:			
Email: rules@lcb.wa.gov	Email:			
Web site: lcb.wa.gov	Web site:			
Other:	Other:			
Additional comments: Interested persons can participate in the rule process through open public meetings and by submitting written comments, and are encouraged to sign up for the interested parties list (GovDelivery) at https://public.govdelivery.com/accounts/WLCB/subscriber/new. Rulemaking notices and stakeholder engagement opportunities will be emailed via GovDelivery and posted to the WSLCB website at lcb.wa.gov.				
Date: February 28, 2024	Signature:			
Name:	- Place signature here			
Title:				



## Notice of Preproposal Statement of Inquiry WSR 24-06-XXX

The Washington State Liquor and Cannabis Board (LCB) has filed a pre-proposal statement of inquiry (CR 101) to consider amending <u>WAC 314-55-015</u> regarding allowing people under the age of 21 on the premises of licensed cannabis producers and processors.

## **Public Comment**

Please send your comments on the CR 101 to the WSLCB through mail, e-mail, or fax by **March 29, 2024.** The CR 102 with proposed rules is anticipated to be filed on or after July 17, 2024, following collaborative rule development.

By mail:	Rules Coordinator	By e-mail:	By fax:
	Liquor and Cannabis Board	rules@lcb.wa.gov	360-704-5027
	P.O. Box 43080		
	Olympia, WA 98504-3080		

This notice can be found at <u>https://lcb.wa.gov/laws/current-rulemaking-activity</u>.

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