



**Washington State  
Liquor and Cannabis Board**

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**Date:** May 22, 2024

**To:** David Postman, Board Chair  
Ollie Garrett, Board Member  
Jim Vollendroff, Board Member

**From:** Jeff Kildahl, Policy and Rules Coordinator

**Copy:** 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, Policy & Rules Manager

**Subject:** **Approval to file a preproposal statement of inquiry (CR101) relating to allowing sale of cannabis waste.**

The Washington State Liquor and Cannabis Board (Board) is amending WAC 314-55-097 and other rules as may be required to implement Substitute Senate Bill 5376 (Chapter 243, Laws of 2024) relating to allowing sale of non-hazardous cannabis waste, including sales of cannabis waste to persons who are not cannabis licensees.

**Process**

The Policy and Rules Coordinator requests approval to file the preproposal statement of inquiry (CR101) for the rule making described above. A CR 101 Memorandum was presented at the Board meeting on May 22, 2024 and is attached to this order.

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

May 22, 2024	Board is asked to approve filing notice of expedited rulemaking (CR 105). CR 105 is filed with the Office of the Code Reviser. Webpage is updated and notice circulated by GovDelivery distribution list. 45 day expedited rulemaking public comment period begins.
June 5, 2024	Notice published in the Washington State Register.
July 31, 2024	Board is asked to approve CR 102

September 11, 2024	Public Hearing on proposed rules
September 25, 2024	Board is asked to approve permanent adopt rules if no substantive changes are made (CR 103). CR 103 and adopted rules are filed with the Office of the Code Reviser. LCB webpage updated and notice circulated to all WSLCB GovDelivery subscribers.
October 26, 2024	Rules are effective 31 days after filing (unless otherwise specified).

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

Attachments: CR 101 Memorandum



## CR 101 Memorandum

### Allowing sale of cannabis waste.

Date: May 22, 2024  
Presented by: Jeff Kildahl, Policy and Rules Coordinator

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### Background

The Liquor and Cannabis Board is beginning rulemaking to implement Substitute Senate Bill (SSB) 5376 (Chapter 243, Laws of 2024) related to allowing the sale of cannabis waste. The legislation becomes effective on June 6, 2024. The legislation permits a licensed cannabis producer and a licensed cannabis processor to sell cannabis waste to a person(s) who is not cannabis licensee under certain conditions, as follows:

1. The cannabis waste is not designated as hazardous waste;
2. The licensee notifies the board and the Washington state department of agriculture before the sale; and
3. The licensee makes all sales available to the public on an equal and nondiscriminatory basis.

The legislation also defines “cannabis waste” as solid waste generated during cannabis production or processing that has a THC concentration of 0.3% or less. Cannabis waste does not include “hemp” or “industrial hemp,” which have existing definitions in RCW 15.140.020.

The current regulations (WAC 314-55-097) requires cannabis waste that is not classified as dangerous be made unusable before disposal. To render cannabis waste unusable, it must be ground up and mixed with other materials to at least 50% non-cannabis content. Compostable waste can be mixed with food, yard waste, or vegetable oils, while non-compostable waste can be combined with paper, cardboard, plastic, soil, or other approved materials.

### Reasons Why Rulemaking Is Needed

Rulemaking is needed to amend WAC 314-55-097 and amend, repeal, or create other sections of Title 314 WAC, as necessary, to implement SSB 5376.

### Process

The rulemaking process begins by announcing the Board’s intent to consider changes to existing rules, adding 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, industry partners, and all members of the authorizing environment to begin discussing proposed rule changes.

At this stage of the rulemaking process, no proposed language is offered. Any interested party may comment on this possible rulemaking during the designated comment period. Notice will be sent to all who have indicated that they want to receive notice of rule activity related to this preproposal statement of inquiry. The notice will identify the public comment period and where comments can be sent.



# PREPROPOSAL STATEMENT OF INQUIRY

## 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:** The agency is amending WAC 314-55-097 and other rules in Title 314 WAC that may be necessary to implement Substitute Senate Bill 5376 (Chapter 243, Laws of 2024) allowing sales of non-hazardous cannabis waste, including allowing sales of cannabis waste to persons who are not cannabis licensees.

**Statutes authorizing the agency to adopt rules on this subject:** Substitute Senate Bill 5376 (Chapter 243, Laws of 2024), RCW 69.50.342

**Reasons why rules on this subject may be needed and what they might accomplish:** Rules on this subject are needed to implement SSB 5376 which will allow licensed cannabis producers and processors to sell non-hazardous solid cannabis waste material from their licensed production or processing operations to buyers who are not licensed by the LCB.

**Identify other federal and state agencies that regulate this subject and the process coordinating the rule with these agencies:** Washington State Department of Agriculture

**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:**

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Other:	Other:

Additional comments:

**Date:** May 22, 2024

**Name:** David Postman

**Title:** Chair

**Signature:**

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