

Washington State Liquor and Cannabis Board

Date:	July 17, 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 sections of chapter 314-55 WAC to implement HB 1859, 2SHB 2151, and portions of HB 2052 and related legislation for the transfer of authority for accreditation of cannabis testing laboratories

The Washington State Liquor and Cannabis Board (Board) is considering rulemaking to amend sections of chapter 314-55 WAC to implement portions of 2SHB 2151 (chapter 69, Laws of 2024), as well as portions of HB 2052 (chapter 277, Laws of 2019) and HB 1859 (chapter 135, Laws of 2022), related to the transfer of the authority and administration of cannabis testing laboratory accreditation to the Washington State Department of Agriculture.

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 July 17, 2024, and is attached to this order.

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

July 17, 2024	 Board is asked to approve filing pre-proposal statement of inquiry (CR 101). CR 101 is filed with the Office of the Code Reviser. Webpage is updated and notice circulated by GovDelivery distribution list.
	Informal comment period begins.

August 7, 2024	Notice is published in the Washington State Register under WSR 24-15.
August 16, 2024	Informal comment period ends
September 25, 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.
October 16, 2024	Formal comment period begins. Notice is published in the Washington State Register
	under WSR 24-20.
November 6, 2024	Public hearing is held and formal comment period ends.
	Board is asked to adopt rules if no substantive changes are made (CR 103).
November 20, 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.
December 21, 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

Attachments: CR 101 Memorandum



CR 101 Memorandum

Implementing HB 1859, HB 2052, and 2SHB 2151 – Transferring authority of laboratory quality standards and accreditation of private cannabis testing laboratories.

Date:July 17, 2024Presented by:Denise Laflamme, Rules Coordinator

Background

Rulemaking is being proposed to implement recent legislation concerning the transfer of responsibility and authority for cannabis laboratory (lab) quality standards and accreditation. The relevant bills are <u>House Bill (HB) 2052</u>, <u>HB 1859</u>, and <u>2SHB 2151</u>, which collectively aim to streamline and improve the regulation of cannabis testing labs.

The Liquor and Cannabis Board (LCB) is responsible for certifying private cannabis testing labs in Washington who meet accreditation criteria. Initially, LCB was responsible for the regulation and oversight of cannabis testing laboratories, and established standards and accreditation processes to ensure the safety and quality of cannabis products. In 2019, the Legislature passed <u>House Bill 2052</u> (chapter 277, Laws of 2019), shifting the responsibility for accreditation from LCB to the Department of Ecology (Ecology). LCB would continue to certify labs to operate. The date of the switch in authority for accreditation was July 1, 2024. HB 2052 also established the Cannabis Science Task Force (Task Force) comprised of LCB, the Department of Agriculture (WSDA), the Department of Health (DOH), and Ecology, as well as other members selected by the agencies, to collaborate on the development of appropriate lab quality standards for cannabis product testing laboratories.

In 2022, <u>House Bill 1859</u> (chapter 135, Laws of 2022), jointly requested by both the LCB and WSDA, created an Interagency Coordination Team (ICT), consisting of LCB, WSDA, and DOH, to advise and coordinate around cannabis testing lab quality standards. The law re-assigned the responsibility for developing cannabis testing lab quality standards from LCB to WSDA, taking into account the recommendations of the ICT. Testing labs must adhere to lab quality standards adopted by the WSDA and the legislation clarifies that cannabis testing labs must obtain and maintain accreditation. On April 17, 2024, the WSDA <u>adopted rules</u> implementing HB1859 and established the Cannabis Laboratory Accreditation Standards Program in chapter <u>16-309</u> WAC.

<u>Second Substitute House Bill (2SHB) 2151</u> (chapter 69, Laws of 2024), passed in 2024, reassigned the transfer of authority over lab accreditation from Ecology to WSDA. WSDA's proposed rules for accreditation of cannabis laboratories (chapter 16-310 WAC) were filed on April 17, 2024 under expeditated rulemaking, per 2SHB 2151, and became effective July 1, 2024. Full implementation of WSDA's new accreditation requirements is being delayed until January 1, 2025, to accommodate a transition period for laboratories. LCB will continue to certify labs and enforce compliance with quality assurance and product standards.

Rulemaking is being proposed to implement recent legislation concerning the transfer of responsibility and authority for cannabis testing laboratory quality standards and accreditation.

Reasons Rulemaking is Needed

Rulemaking is needed to amend chapter <u>314-55</u> WAC, as necessary, to implement the provisions of <u>HB 1859</u>, <u>HB 2052</u>, and <u>2SHB 2151</u> regarding the transfer of regulatory authority of lab quality standards and lab accreditation from LCB to WSDA, and to clarify LCB's role in certifying cannabis testing labs.

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 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: Title 314 WAC. The Washington State Liquor and Cannabis Board (LCB) is considering amending sections of chapter 314-55 WAC to implement Second Substitute HB2151 (2SHB2151; chapter 69, Laws of 2024), which transfers cannabis laboratory accreditation authority to the Washington State Department of Agriculture (WSDA) from the LCB beginning July 1, 2024. Cannabis laboratory accreditation authority was originally transferred from the LCB to the Washington State Department of Ecology in HB 2052 (chapter 277, Laws of 2019). LCB is also considering amending sections of chapter 314-55 WAC to implement and reference WSDA's new cannabis laboratory quality standards, which were transferred from LCB as part of HB 1859 (chapter 135, Laws of 2022). Statutes authorizing the agency to adopt rules on this subject: 2SHB 2151 (chapter 69, Laws of 2024); HB 1859 (chapter 135, Laws of 2022); HB 2052 (chapter 277, Laws of 2019); RCW 69.50.325; RCW 69.50.326; RCW 69.50.342; RCW 69.50.345; RCW 69.50.348 Reasons why rules on this subject may be needed and what they might accomplish: Rulemaking is needed to align language and requirements with the transfer of accreditation authority for cannabis laboratories from LCB to the WSDA. The authority to establish rules for cannabis laboratory accreditation transferred to WSDA under 2SHB 2151 (chapter 69, Laws of 2024) becoming effective on July 1, 2024. The responsibility for accreditation of cannabis testing laboratories was originally transferred from LCB to the Department of Ecology under HB 2052 (chapter 277, Laws of 2019) effective July 1, 2024; however, the transfer of this authority was switched to WSDA under 2SHB 2151. Rulemaking would update and clarify LCB's requirements, including laboratory certification and reporting requirements, and would reference WSDA's new cannabis laboratory quality standards (chapter 16-309 WAC) and laboratory accreditation standards (chapter 16-310 WAC) that became effective in 2024. Identify other federal and state agencies that regulate this subject and the process coordinating the rule with these agencies: WSDA has new responsibility for establishing and administering cannabis testing laboratory guality standards and cannabis laboratory accreditation. The Washington State Department of Health (DOH) regulates the sale and product standards for medical cannabis (chapter 246-70 WAC). LCB will coordinate rulemaking with these agencies as co-members of the ongoing interagency coordination team created by HB 1859 (chapter 135, Laws of 2022). This interagency coordination team is responsible for establishing and maintaining cannabis laboratory quality standards and is led by WSDA. 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: (If necessary) Name: Denise Laflamme, Rules Coordinator Name: Address: PO Box 43080, Olympia WA 98504 Address: Phone: 360-819-0452 Phone: Fax: 360-704-5027 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: July 17, 2024	Signature:	Place signature here				
Name: David Postman		riace signature nere				
Title: Board Chair						