



NOTICE OF RULE MAKING – Pre-proposal - #17-29

The Washington State Liquor and Cannabis Board has entered into the initial stage of rulemaking (CR 101) to consider rule changes regarding cannabis production canopy as it relates to supply and demand for cannabis within Washington State. Rule change proposals will address how the WSLCB may adjust canopy amounts to keep pace with demand for cannabis products (increases or decreases) should adjustments become necessary. Current rule, WAC 314-55-075 subsections (7) and (8), includes some provisions for reductions in individual canopy or for exceeding all canopy, but does not address other instances where canopy adjustments may be advisable or required, including any increases. Rule proposals will provide conditions and parameters for additional canopy adjustments. The CR 101 is the initial notification of potential rulemaking and no rule language is offered at this stage of the process.

The Liquor and Cannabis Board encourages you to give input on the subject of these potential changes. Following the comment period, the agency will send out and publish the proposed rules, establish a comment period on the proposed rules, and hold a public hearing before the rules are adopted.

This notice can be found at lcb.wa.gov/laws/laws-and-rules under Proposed Rules.

Public Comment

Please forward your initial comments to the Liquor and Cannabis Board by mail, e-mail, or fax by **January 31, 2018**.

By mail: Rules Coordinator
Liquor and Cannabis Board
P.O. Box 43080
Olympia, WA 98504-3080

By e-mail:
rules@lcb.wa.gov

By fax:
360-664-9689

Issue Paper

Cannabis Production and Canopy Rules

Date: December 13, 2017

Presented by: Joanna Eide, Policy and Rules Coordinator

Description of the Issue

This Issue Paper requests approval from the Board to file the first stage of rulemaking (CR 101) for changes to rules relating to Cannabis Production and Canopy in Chapter 314-55 WAC.

Why is rule making necessary?

The WSLCB is considering rule changes regarding cannabis production canopy as it relates to supply and demand for cannabis within Washington State. Rule change proposals will address how the WSLCB may adjust canopy amounts to keep pace with demand for cannabis products (increases or decreases) should adjustments become necessary. Current rule, WAC 314-55-075 subsections (7) and (8), includes some provisions for reductions in individual canopy or for exceeding all canopy, but does not address other instances where canopy adjustments may be advisable or required, including any increases. Rule proposals will provide conditions and parameters for additional canopy adjustments.

Process

The rule making process begins by announcing LCB's intent to add and make changes to existing rules by filing a CR 101 form. This allows staff and stakeholders to begin discussing necessary rule changes. At the CR 101 stage of the rulemaking process, no proposed language is offered. The public may comment on the subject of this rulemaking during the designated comment period. Notice will be sent to all who have indicated that they want to receive notice of rule changes. The notice will identify the public comment period and where comments can be sent. Based on public input received, staff will draft proposed changes for presentation to the Board at the next phase of the rule making process.



**Washington State
Liquor and Cannabis Board**

Date: December 13, 2017

To: Jane Rushford, Board Chair
Ollie Garrett, Board Member
Russ Hauge, Board Member

From: Joanna Eide, Policy and Rules Coordinator

Copy: Rick Garza, Agency Director
Peter Antolin, Deputy Director
Justin Nordhorn, Chief of Enforcement
Becky Smith, Licensing Director
Karen McCall, Agency Rules Coordinator
Peter Corier, Marijuana Examiners Unit

Subject: **Approval for filing a pre-proposal statement of inquiry (CR 101) for Cannabis Production and Canopy Rules.**

The WSLCB is considering changes to rules in Chapter 314-55 WAC related to Cannabis Production and Canopy Rules. Rule change proposals will address how the WSLCB may adjust canopy amounts for individual licensees or for the industry as a whole to keep pace with demand for cannabis products in Washington should adjustments become necessary.

Process


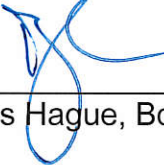
The Rules Coordinator requests approval to file the pre-proposal statement of inquiry (CR 101) for the rule making described above. An issue paper on this rule was presented at the Board meeting on December 13, 2017, and is attached to this order.

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

December 13, 2017	Board is asked to approve filing the pre-proposal statement of inquiry (CR 101)
January 3, 2018	Code Reviser publishes notice, LCB sends notice to rules distribution list
January 31, 2018	End of written comment period
February 7, 2018	Board is asked to approve filing the proposed rules (CR 102 filing)
February 21, 2018	Code Reviser publishes notice, LCB sends notice to rules distribution list
March 21, 2018	Public Hearing held

March 21, 2018	End of written comment period
April 4, 2018	Board is asked to adopt rules
April 4, 2018	Agency sends notice to those who commented both at the public hearing and in writing.
April 4, 2018	Agency files adopted rules with the Code Reviser (CR 103)
May 5, 2018	Rules are effective (31 days after filing)*

*Unless otherwise provided.

<input type="checkbox"/> Approve	<input type="checkbox"/> Disapprove	<u>NOT PRESENT</u>	_____
		Jane Rushford, Chair	Date
<input checked="" type="checkbox"/> Approve	<input type="checkbox"/> Disapprove		<u>12.13.17</u>
		Ollie Garrett, Board Member	Date
<input checked="" type="checkbox"/> Approve	<input type="checkbox"/> Disapprove		<u>12/13/17</u>
		Russ Hague, Board Member	Date

Attachment: Issue Paper