



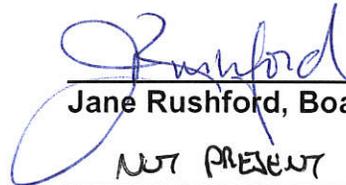
**Board Interim Policy BIP-06-2018**

**Subject:** Allowing marijuana licensees to spend their own money on their businesses prior to the Board vetting the funds

**Effective Date:** December 12, 2018

**Ending Date:** Upon adoption of rules to implement this policy

**Approved:**

  
\_\_\_\_\_  
Jane Rushford, Board Chair

NOT PRESENT  
\_\_\_\_\_  
Ollie Garrett, Board Member

  
\_\_\_\_\_  
Russ Hauge, Board Member

---

**Purpose:**

Current Washington Administrative Code (WAC) 314-55-035(5)<sup>1</sup> requires all funds that a marijuana licensee plans to use in their business to be vetted by the Washington State Liquor and Cannabis Board (WSLCB) Licensing Division prior to investing the funds in the business. The intent of this rule is to ensure that licensees are meeting the WSLCB requirements to prohibit undue influence across tiers and prevent criminal enterprises from engaging in licensed marijuana businesses.

Prevetting funds can take 50 days or longer, depending on the complexity of the funding and the responsiveness of the applicants. The industry has asked us to address concerns about the length of time it takes for them to use their own funds to support their licensed marijuana businesses. In some cases, applicants need immediate access to funds to support their business expenses. While vetting the source of funds remains a high priority to the WSLCB, we recognize that we could allow applicants to invest their own money in their businesses at the same time we are vetting the source of funds.

To ensure that we are meeting the expectation that no criminal enterprises are engaged in the licensed marijuana business, the application will be changed to reflect that the licensee recognizes that no funds from criminal enterprises are permitted and that their license may be

---

<sup>1</sup> WAC 314-55-035 (5) "After licensure, a true party of interest, including financiers, must continue to disclose the source of funds for all moneys invested in the licensed business. The WSLCB must approve these funds prior to investing them into the business."

revoked "if the source of funds identified by the applicant to be used for the acquisition, startup and operation of the business is questionable, unverifiable, or determined by the WSLCB to be gained in a manner which is in violation of law" in accordance with WAC 314-55-050.

**Policy Statement:**

Until superseded by rule, the Board adopts the following language regarding the use of funds:

After licensure, a true party of interest, including financiers, must continue to disclose the source of funds for all moneys invested in the licensed business. If the source of funds is an identified owner on the license, the WSLCB will allow these funds to be used upon receipt of the application. The WSLCB will then investigate the source of funds. If the source of funds is questionable, unverifiable, or determined by the WSLCB to be gained in a manner which is in violation of law, the WSLCB may revoke the license.

The WSLCB must approve the use of funds from financiers who are not on the license before they may be invested into the business.

All other changes to the licensed business must receive prior approval from the WSLCB.