



**Liquor and Cannabis Board Interim Policy BIP-15-2019**

**Subject:** Return of flavored marijuana vapor products by retailers to processors in exchange for credit.

**Effective Date:** October 30, 2019

**Ending Date:** December 31, 2019

**Approved:**

  
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**Jane Rushford, Board Chair**

  
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**Ollie Garrett, Board Member**

  
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**Russ Hauge, Board Member**

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**Background:**

On October 10, 2019, State Board of Health emergency rules codified at chapter 246-80 WAC became effective, prohibiting the sale of flavored vapor products by persons licensed under chapters 69.50 or 70.345 RCW, consistent with the directives of Executive Order 19-03 Addressing the Vaping Use Public Health Crisis.

On October 23, 2019, WSLCB emergency rules WAC 314-55-077 and 314-55-079 became effective, providing that the Board may take disciplinary action against any processor or retailer, respectively, failing to comply with the provisions of chapter 246-80 WAC. These emergency rules bridged the enforcement requirements of chapter 246-80 WAC with the authority of chapter 69.50 RCW.

The Board of Health emergency rule at chapter 246-80 WAC banning flavored marijuana vapor products has created a financial liability for many marijuana licensees. Current Board rules do not allow retailers to return the banned products in exchange for credit to be used for future purchase of allowed products.

Relevant statutes and rules:

- RCW 69.50.328 Marijuana producer processor – No direct or indirect financial interest in licensed marijuana retailers.

- WAC 314-55-018 Prohibited practices – Money advances – Contracts – Gifts – Rebates, discounts, and exceptions, etc.
- WAC 314-55-077(12) Marijuana may not be returned by any retail licensee to any processor except as provided in this section.
- WAC 314-55-115 What method of payment can a marijuana licensee use to purchase marijuana?

**Purpose:**

The purpose of this interim policy is to allow, for a limited time, WSLCB licensed marijuana retailers to return flavored marijuana concentrates for inhalation and flavored marijuana extracts for inhalation, as defined in chapter 246-80 WAC, to WSLCB licensed marijuana processors for credit against future purchases of marijuana products.

**Policy Statement:**

Effective immediately, and retroactively to October 10, 2019, WSLCB licensed marijuana retailers may return flavored marijuana concentrates for inhalation and flavored marijuana extracts for inhalation, as defined in chapter 246-80 WAC, to WSLCB licensed marijuana processors for credit against future purchases of marijuana products.

WSLCB licensed marijuana processors may grant credit to WSLCB licensed marijuana retailers for return of flavored marijuana concentrates for inhalation and flavored marijuana extracts for inhalation, as defined in chapter 246-80 WAC, against future purchases of marijuana products.

WSLCB licensed processors may accept banned vapor products and issue a refund, credit, or exchange of similar product, not to exceed the acquisition cost of the product being returned, until December 31, 2019. A credit balance may be maintained for up to six months, until June 30, 2020. Records must be maintained that clearly show a detailed accounting of each transaction involving a return for refund, credit, or exchange. A record of all expired credit must also be maintained. All records must comply with WAC 314-55-087.

The Board reserves its discretion to extend or rescind BIP 15-2019 as necessary.