

Issue Paper

Voluntary Compliance Program

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Description of the Issue

The Washington State Liquor and Cannabis Board (Board) enforcement division is responsible for a variety of activities related to the regulation of marijuana in Washington State. These activities include, but are not limited to conducting compliance checks, inspections, following up on complaint investigations, and verifying license site locations, consistent with provisions described in chapter 69.50 RCW and chapter 314-55 WAC.

In the five years since the first marijuana licenses were issued, the marijuana market, industry, and authorizing environment have matured. Although the Board designed the current regulatory structure to align with I502's direction to bring marijuana "under a tightly regulated, state-licensed system similar to that for controlling hard alcohol," it is appropriate to reevaluate that conservative system, including compliance, education, and enforcement activities.

The Board began to consider revisions to existing enforcement guidelines by initiating a formal rule inquiry under WSR #18-22-099 in October, 2018. Those efforts were extended by the passage of Engrossed Substitute Senate Bill (ESSB) 5318 during the 2019 regular session of the Washington State legislature. While ESSB 5318 provided direction for enforcement guideline redesign, it also provided a framework to perfect and expand existing programs for compliance education for licensed marijuana businesses and their employees. Rules developed under the provisions of ESSB 5318 are required to include a voluntary compliance program created in consultation with licensed marijuana businesses and their employees, and must include recommendations on abating violations described in chapter 69.50 RCW and chapter 314-55 WAC.

This Issue Paper requests approval from the Board to file a CR 101 that will begin the process of developing and establishing a voluntary compliance program as set forth in ESSB 5318.

Reasons why rules may be needed:

Rules may be needed for the following reason:

1. ESSB 5318 (Chapter 394, Laws of 2019) involving marijuana licensee compliance and enforcement will become effective July 28, 2019. Among other revisions, ESSB 5318 amended RCW 69.50.342, and created a new section describing a program where a licensee may request advice and

consultation by Board enforcement. Advice and consultation services requested under this statutory provision are limited to the matters specified in the request affecting the interpretation and applicability of the standards described in chapter 69.50 RCW to the conditions, structures, machines, equipment, apparatus, devices, materials, methods, means, and practices of the licensee's licensed premises. The Board is required to establish such a program consistent with the amendments of this legislation.

Process

The rule making process begins by announcing LCB's intent to consider changes to existing rules by filing a CR 101 form. This allows staff, stakeholders, industry partners, and all members of the authorizing environment to begin discussing proposed rule changes. At the CR 101 stage of the rulemaking process, no proposed language is offered. Any interested party may comment on the subject of 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 pertaining to this preproposal inquiry. The notice will identify the public comment period and where comments can be sent.