



Washington State Liquor and Cannabis Board

To: David Postman, Board Chair
Ollie Garrett, Board Member
Russ Hauge, Board Member

From: Kathy Hoffman, Policy and Rules Manager

Date: September 15, 2021

Copy: Rick Garza, Agency Director
Toni Hood, Deputy Director
Justin Nordhorn, Policy and External Affairs Director
Becky Smith, Licensing and Regulation Director
Chandra Brady, Director of Enforcement and Education

Subject: Request for approval to rescind Board Interim Policy (BIP) 02-2016 concerning UBI labeling on marijuana products (WAC 314-55-105).

On May 18, 2016, the Board adopted rules as WSR #16-11-110 to implement both Senate Bill (SB) 5052 and House Bill (HB) 2136. Among the amendments and new rule sections was an increase in the number of digits required for the Unified Business Identifier (UBI) number on marijuana package labels from 9 to 16 digits. Very few comments were received concerning this change during rule development and subsequent adoption processes.

Although the Board provided an informal notice that licensees would have sixty days to comply with the new requirement, many licensees expressed concern regarding the costs of compliance. Finding that the benefit of the new requirement for traceability and recall purposes did not outweigh the concerns and increased costs associated with compliance, and that the agency could achieve its goals using either the 9 or 16 digit UBI number, the Board issued BIP 02-2016 to provide that licensees could use either number. The policy went into effect on July 13, 2016, and was designed to end on the date rules became effective to implement the policy.

During the 2018 legislative session, House Bill (HB) 2474 amended RCW 69.50.346 to provide that labels on marijuana concentrates, usable marijuana or edible marijuana products sold at retail must include the business or trade name, and a Washington state UBI of the marijuana producer and processor.

To implement the legislation, WAC 314-55-105 was amended in May 2018 as WSR #18-11-005, with an effective date of January 1, 2019, providing that a 9-digit UBI number, rather than a 16-digit UBI number was required for marijuana or marijuana products produced and processed in Washington state.

The rules pertaining to UBI numbers for marijuana and marijuana products has remained unchanged since then. For these reasons, BIP 02-2016 is no longer necessary.

If the Board approves rescission of BIP 02-2016, the agency will send notice to stakeholders, and remove the BIP from the LCB website.

The Board approves/disapproves the rescission of BIP 02-2016.

Approve Disapprove


 David Postman, Chair

9.15.2021
 Date

Approve Disapprove


 Ollie Garrett, Board Member

9.15.2021
 Date

Approve Disapprove

Not Present
 Russ Hauge, Board Member

9.15.2021
 Date



Liquor and Cannabis Board Revised Interim Policy BIP-02-2016

Subject: Registered Cooperatives Purchasing Direct from Licensed Producers

Effective Date: July 13, 2016

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

Approved:

Jane Rushford, Chair

Ruthann Kurose, Board Member

Purpose:

This Interim Policy is to address a recent rule change to impose a new requirement that licensees place a longer, 16 digit Unified Business Identifier (UBI) number on labels of marijuana products under WAC 314-55-105. This rule change became effective on June 18, 2016, though the WSLCB issued a notice to licensees that they would have 60 days to comply with the new labeling requirements. Formerly, licensees were required to list the 9 digit UBI number on labels of marijuana products. The change to a 16 digit UBI number requirement was proposed as part of the rulemaking to implement 2015 marijuana legislation.

Though the WSLCB included the new requirement to list a 16 digit UBI on marijuana product labels as part of the formal rulemaking process, very little if any comments were received on the proposed change. However, since the rules became effective, the WSLCB has received a multitude of correspondence from licensees expressing concern and frustrations over the new requirements. Due to this concern, WSLCB staff reassessed the need for the extended UBI number listing on labels, and has discerned that the benefits of the new requirement for traceability and recall purposes do not outweigh the concerns and increased costs associated with complying with the adjusted labeling requirement. The WSLCB will be able to achieve its needs using the shorter, 9 digit UBI number with a minor increase in workload. For these reasons, and as detailed in the below Interim Policy, the WSLCB is reverting to a nine digit UBI labeling requirement on marijuana products, at a minimum. Those who choose to list the 16 digit UBI and have already changed labeling to accomplish the new requirements may continue to do so if they choose. The WSLCB plans to address this change in upcoming permanent rulemaking.

Policy Statement

In addition to the labeling requirements provided in WAC 314-55-105, labels affixed to the container or package containing marijuana or marijuana products sold at retail must include the business or trade name and the nine digit or the sixteen digit Washington state unified business identifier number of the licensees that produced, processed and sold the marijuana or marijuana products. The marijuana retail licensee trade name and Washington state unified business identifier number may be in the form of a sticker placed on the label.