



CR 101 Memorandum

Regarding consideration of new rules in response to future recommendations of the Social Equity in Cannabis Task Force, and changes to current rule that will reduce barriers to entry in the legal cannabis market.

Date: October 27, 2021

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Background

RCW 69.50.336 established in 2020, created the Social Equity in Cannabis Task Force (Task Force), responsible, among other things, for making recommendations to the Washington State Liquor and Cannabis Board (WSLCB). RCW 69.50.335, established in 2020 gives the WSLCB authority to create the Social Equity in Cannabis Program, consistent with those recommendations. The Task Force has met continuously since early 2020, and established sub-groups to discuss and develop recommendations concerning disproportionately impacted communities, technical assistance and mentoring, and licensing.

While that Task Force work continued, WSLCB began to review existing rule to determine where the agency could make revisions that would lead to socially equitable conditions. The first effort involved revising cannabis license applicant and renewal background checks in a way that would remove barriers to entry in the licensed system. WSLCB now seeks to explore where additional revisions can be made within its statutory authority, and to assure that the agency is positioned to respond as quickly as possible when Task Force recommendations become available.

Reasons Why Rules May Be Needed

Rules are needed to realize and operationalize the goals of RCW 69.50.335, concerning cannabis retailer licenses, and RCW 69.50.336 concerning the Social Equity in Cannabis Task Force.

As the work of the Task Force nears completion, the WSLCB wishes to begin an evaluation of chapter 314-55 WAC to determine where revisions can be made, within current statutory authority, that will reduce barriers to entry in the legal cannabis market, promote business ownership among individuals who have been

disproportionately impacted by cannabis-related criminal laws, and support the work of the Task Force. Revisions considered will be designed to support socially equitable conditions by deconstructing current rules in a way that creates fair and meaningful access to the economic opportunities afforded by cannabis legalization.

Process

The rule making process begins by announcing the Board's intent to consider changes to existing rules, adding new rule sections, or both by filing a CR 101 form with the Office of the Code Reviser. 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 pre-proposal inquiry. The notice will identify the public comment period and where comments can be sent.