

On June 21, 2023, the Washington State Liquor and Cannabis Board (LCB) <u>withdrew CR-101 (Preproposal</u> <u>Statement of Inquiry) as WSR 23-04-027</u> that considered rulemaking to allow cloud-storage recordkeeping for all liquor, vapor and cannabis licensees. After further review, a determination was made that the rule filing was not necessary, and that formal guidance is more appropriate.

All licensees may use digital/electronic formats (i.e., cloud storage) to maintain records that are required to be kept on the licensed premises per <u>Title 314 WAC</u>; if the following requirements are met:

- 1) Cloud-storage recordkeeping must comply with all the applicable statutes and regulations related to retaining, maintaining, and preserving records on the licensed premises.
- 2) Records must be easily accessible and immediately available at the request of the LCB.
- 3) Inability to access or produce records at the time of request due to technical issues is not considered to be a mitigating circumstance. Technical issues, include, but are not limited to, power outages, disruptions in internet service, or changes made to the cloud storage or point of sales system.

Best Practices:

- ✓ Keep duplicate records and frequently back up an external hard drive to prevent loss of, and ensure access to, required records.
- ✓ Use a consistent naming convention to organize records.
- ✓ Ensure at least one employee who has access to records is always on the licensed premises.

For questions, please email <u>rules@lcb.wa.gov</u>.