



CR 101 Memorandum

Re: Cloud Storage.

Date: January 25, 2023
Presented by: Daniel Jacobs, Policy and Rules Coordinator

Background

On July 8, 2022, Brooke Davies, on behalf of the Washington Cannabusiness Association, submitted a petition for adoption, amendment, or repeal of a state administrative rule to the Washington State Liquor and Cannabis Board (Board). The petition requested that the Board amend WAC 314-55-083 and 314-55-087 to allow cannabis licensees to use cloud storage options for certain recordkeeping requirements.

On August 31, 2022, the Board accepted the petition. Consistent with RCW 34.05.330(1)(b), the Board agreed to initiate the rulemaking process and begin collaboratively engaging with stakeholders and any interested members of the public to explore the possibility of allowing cannabis licensees to use cloud storage as a recordkeeping option instead of physical, on-site storage.

In the interest of providing consistent recordkeeping requirements for all of the industries that the Board regulates, the scope of the CR 101 preproposal statement of inquiry is drafted to allow the Board to explore this possibility not only for cannabis licensees, but also for vapor, tobacco, and liquor licensees—to the extent allowed by the different recordkeeping statutes for these respective industries.

Reasons Why Rulemaking Is Needed

New rule sections and amendments to, or repeals of, existing rule sections in Title 314 WAC may be necessary to allow cannabis, vapor, tobacco, and liquor licensees to use cloud storage options instead of physical, on-premises storage for recordkeeping.

Process

The rulemaking process begins by announcing the Board's intent to consider changes to existing rules, add new rule sections, or both by filing a pre-proposal statement of inquiry (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 possible rule changes.

At the CR 101 stage of the rulemaking process, no proposed language is offered. Any interested person 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 related to this pre-proposal statement of inquiry. The notice will identify the public comment period and where comments can be sent.