



Washington State Liquor and Cannabis Board

Petition for Adoption, Amendment, or Repeal of a State Administrative Rule – (WAC 314-55-570 – Social Equity in Cannabis Program)

Date: September 25, 2024

Presented by: Justin Nordhorn, Director of Policy and External Affairs

Background

From July 30, 2024 through September 17, 2024, five separate petitions for adoption, amendment, or repeal of a state administrative rule were submitted to the Washington State Liquor and Cannabis Board (“LCB” or “Board”) requesting amendments to [WAC 314-55-570](#). All five petitioners requested the removal of title certificate holders from the Social Equity in Cannabis Program. The multiple petitions specifically request the Board repeal WAC 314-55-570(1)(j), the definition of social equity title certificate holder, and WAC 314-55-570(5) allowing a social equity title certificate holder to reinstate their retail cannabis license anywhere within the county that they hold their title certificate. The petitioners’ requests are attached, and the petitioners include:

- Peter Manning – 7/30/24
- Paul Brice – 8/18/24
- Mike Asai – 7/30/24
- Rick Lee – 9/17/24
- Elijah Henry – 8/6/24

Engrossed Second Substitute Senate Bill (E2SSB) 5080 ([Chapter 220, Laws of 2023](#)) amended [RCW 69.50.335](#) to allow social equity applicants to locate their license in any city or town, or county that allows cannabis retail, cannabis production, or cannabis processing business activities, as applicable, at the proposed location, in the state of Washington. See [RCW 69.50.335\(1\)\(e\)\(i\)](#). E2SSB 5080 also provided permissive language allowing title certificate holders to apply for a social equity license. See [RCW 69.50.335\(2\)\(b\)](#). The petitioners expressed title certificate holders should not receive the same benefits as a social equity applicant.

Currently a rulemaking project is open and active for Implementation of E2SSB 5080 related to expanding and improving the Social Equity in Cannabis Program. The CR-101 was filed as [WSR 23-23-062](#) on November 08, 2023. A CR-102 was filed as [WSR 24-16-130](#) on August 06, 2024. A public hearing was conducted on September 11, 2024. As a result of public comment gathered during the formal comment period and public hearing, the LCB plans to file a supplemental CR-102 to make additional changes to the previously presented draft rules.

Issue

Whether the LCB should initiate rulemaking to consider amending WAC 314-55-570 to exclude title certificate holders from the Social Equity in Cannabis Program.

Analysis

While many factors would typically be analyzed in deciding whether to accept a petition for rulemaking, the LCB is currently engaged in rulemaking for WAC 314-55-570, which is directly associated with the topic.

Conclusion

As the LCB is currently engaging in rulemaking for WAC 314-55-570 to implement E2SSB 5080 there is no need or benefit to accepting the five petitions, as considerations are already active and on-going.

Recommendation

For the reasons described above, Director's Office staff recommend that consistent with RCW 34.05.330(1)(b), the Board deny the five petitions for adoption, repeal or amendment of rules submitted from July 30, 2024, through September 17, 2024, requesting the exclusion of social equity title certificate holders from the Social Equity in Cannabis Program.

Board Action

After considering the information provided by the Director's Office staff, the Board accepts/denies the five related petitions for rulemaking received from July 30, 2024, through September 17, 2024.

Accept Deny



David Postman, Chair

9.25.2024

Date

Accept Deny



Ollie Garrett, Board Member

9.25.2024

Date

Accept Deny



Jim Vollendroff, Board Member

9.25.2024

Date