



CR 101 Memorandum

Re: Cannabis Flexible Payment Terms

Date: May 8, 2024
Presented by: Daniel Jacobs, Policy and Rules Coordinator

Background

In March 2023, the Liquor and Cannabis Board (Board) [approved](#) a rulemaking petition to consider amending [WAC 314-55-115\(1\)](#) to allow the mailing of checks up to three after delivery, for transactions where cannabis licensees purchase cannabis from other licensees.

Currently, rules provide that if payment is made by check, it must be provided prior to or at the time of delivery. Other payment methods identified in WAC 314-55-115 allow payment to be initiated up to one business day post-delivery and require payment be complete no later than 5 business days post-delivery.

Reasons Why Rulemaking Is Needed

Rulemaking is needed to consider amending WAC 314-55-115(1), and amending, repealing, or creating new sections of Title 314 WAC as necessary to allow cannabis licensees purchasing cannabis from other cannabis licensees greater flexibility when paying via check. The cannabis industry is limited in how financial transactions can occur due to Federal prohibition.

Process

The rulemaking process begins by announcing the Board's intent to consider changes to existing rules, adding new rule sections, or both, by filing a preproposal 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 proposed rule changes.

At this stage of the rulemaking process, no proposed language is offered. Any interested party may comment on 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 preproposal statement of inquiry. The notice will identify the public comment period and where comments can be sent.