Notice of Permanent Rules Regarding Medical Cannabis Endorsements

Concise Explanatory Statement

This concise explanatory statement concerns the Washington State Liquor and Cannabis Board's (LCB) adoption of rule amendments that amend the medical cannabis endorsement rule (WAC 314-55-080).

The Administrative Procedure Act (RCW 34.05.325(6)) requires agencies to complete a concise explanatory statement before filing adopted rules with the Office of the Code Reviser. The concise explanatory statement must be provided to any person upon request, or from whom the LCB received comment.

The LCB appreciates and encourages your involvement in the rule making process. If you have questions, please e-mail at rules@lcb.wa.gov.

Background and reasons for adopting these rules:

RCW 69.50.375 establishes a medical cannabis endorsement for cannabis retailers allowing them to sell certain cannabis products authorized by the Department of Health to qualifying patients, as well as provide some of these products to patients at no cost, under specific circumstances, and so long as the retailers comply with various statutory requirements. The Washington State Liquor and Cannabis Board (Board) regulates the issuance of medical cannabis endorsements to retailers and identifies the requirements for possessing this endorsement in WAC 314-55-080. The cannabis license and application process generally, and the requirements for submitting documentation in order to get such a license, are identified in WAC 314-55-020.

In March 2023, the Board accepted a <u>petition</u> requesting to amend WAC 314-55-020 and WAC 314-55-080 to explicitly allow for revocation of a medical cannabis endorsement for failure to meet the regulatory requirements.

On October 25, 2023, the Board approved the filing of a CR-101 to begin the rulemaking process to amend WAC 314-55-020 and WAC 314-55-080 (WSR #23-22-063). An informal public comment open was open until December 9, 2023, during which time three comments were received.

The rules team, consisting of staff from Enforcement & Education, and Licensing divisions, as well as the public health and Tribal liaisons, were heavily involved in drafting the proposed rule language. The draft rule language was additionally circulated among agency partners with the Departments of Health, Agriculture and Ecology prior to being published. Public stakeholder engagement sessions were held on March 11 and 14,

2024, after <u>draft rule language</u> and <u>discussion topics</u> were published on the Board's website.

Three main changes were made to WAC 314-55-080 in the CR 102 filed on April 24, 2024 as WSR 24-10-043: 1) the addition of posting cannabis consultant hours, 2) the amending of the in-stock requirement, and 3) the addition of cure period language.

Additional language requiring medical cannabis endorsement holders to post hours of cannabis consultant availability wherever store hours are required to be posted consistent with WAC 314-55-055 increases patient access to cannabis consultant services while allowing flexibility for cannabis consultants to perform other business needs when not serving patients. This is accomplished by allowing retailers to either post consultant hours or a period of term during which appointments with consultants can be scheduled.

The "in stock" requirement is proposed to be amended to allow the medical endorsement retailer to satisfy this requirement by having medical compliant cannabis "on order."

A cure period is being proposed to allow medical endorsement holders a period ranging from seven to thirty calendar days after receiving a notice of violation to fix the violation without having the medical cannabis endorsement discontinued. If the cure period expires and the violation continues, the endorsement is discontinued. This allows retailers time to fix deficiencies, and the amount of time can vary based on the violation at issue, while also identifying a specific process that endorsement holders can understand before the endorsement is discontinued.

Additionally, if the endorsement is discontinued after the cure period lapses, should the retailer apply to get the endorsement again, they will be required to submit documentation showing that the previous noncompliance has been addressed.

No testimony was received at the public hearing held on Wednesday, June 5, 2024.

Rulemaking history for this adopted rule:

CR 101 – filed October 25, 2023, as WSR #23-22-063 **CR 102** – filed April 24, 2024, as WSR #24-10-043 Public hearing held June 5, 2024

The effective date of this amended rule is July 19, 2024.

Several public comments were received on the rule proposal in the time leading up to the public hearing:

1. Linda Wayne, April 24, 2024

I think it's extremely important to address the toxic chemicals allowed, such as pesticides, insecticides, etc., in the growing of marijuana in Washington State. How can anyone talk about 'medical' marijuana, without addressing the need for certified organic plants? Just because the

USDA has an allowable list of chemical products for non-organic produce in this country, doesn't mean those same products should be allowed for marijuana across the board. Washington State took the USDA's list and applied it to the marijuana industry, without any further studies or research. You don't smoke tomatoes, cucumbers or apples. You don't smoke fruits or vegetables!

It's imperative to take a look at certifying organic grow operations, for not only the health of medical patients, but also for the health of the general public..... neither group is even aware of the toxins allowed in what they smoke or consume through edibles. Users and retail store employees are not properly informed. Just walk into any marijuana store, and ask the staff which companies are organic, and the majority of them don't even have a clue what you are talking about. Or they can only go by what the company puts on their labels, which is not regulated, so the company can write anything they want. It's the wild west all over again, with no safety protections for the health and well being of Washington citizens. This subject should be seriously looked at and included in Washington State's marijuana laws.

Sincerely,

Linda Wayne

LCB response: Pesticides are the topic of separate rules found at <u>WAC 314-55-108</u>, quality control rules are found at <u>WAC 314-55-101</u> and <u>WAC 314-55-102</u>. Any changes or proposed changes to these rules would be beyond the scope of this rulemaking project.

Was the comment reflected in the adopted rule? No.

2. Michael Lowery, April 24, 2024

As a customer in regard to CR102 I seen the local cannabis stores put limits on staff where it took up to 2-3 weeks to get authorized and they mailed it in. I always get my card authorized out of town and I never purchase from most local stores. We just had 2 cannabis stores servicing an area of 300,000 people out here in the Tri Cities. But we're slowly getting better. I do see it very beneficial to post hours, thanks.

In reading CR 101 it looks like the state is doing away with the tax exempt for Card holders after 6/29. If this is true you may erase that medical card down to just growers card because there would be little reason for you to offer a medical cards. Then why even keep medical cards in hands of Cannabis board? Because now it becomes an agricultural issue with volume rules.

I think this is a real question because I can buy/make enough booze to cause alcohol poisoning. We can legally buy enough alcohol to kill ourselves and many do! Yet you have buy/make limits on cannabis regulated by the same board? That is very contradictive from your mission statement, to "Promote Public Saftey and Trust....."

Cannabis doesn't share the characteristic of acute poisoning as alcohol does to its users. Your board has volume limits on the wrong product. In fact alcohol is the only product you regulate that can cause acute poisoning yet the board doesn't have limits on it. Has anyone ever taken your rules and asked that question or a court of law perhaps? What would they say? If my son died at a neighbors house all because the one 21 yo bought 5 half gallons of booze. How can you not regulate the volume of alcohol purchase based on the fact that you know it can kill you in one setting? Specially if you never drank it and was peer pressured. Your board refuses to protect the Public Safety from alcohol but justify limits on cannabis for the sake of Public Safety, that's not a normal way a board for Safety should think. To me the lack of Volume Laws on alcohol, really

stands out now that we have volume limits on cannabis. My Mom died of consumption to me. It caused a hea[r]t attack but Doctors never call it alcohol poisoning at time of death because it creates so many issues with insurances. I mean you never really die of the drug, the body kills you because of the amount of drug intake. The city even puts limits on hard drug use before conviction because small doses do less harm. Alcohol should be regulated the same way.

I believe u need to answer this to all cannabis card holders.

Just imagine how many lives would be saved if you limited alcohol sales to just one six pack or a fifth per person. I mean really.....People die from these big booze parties by direct ingestion of alcohol. I don't know of a way to die by smoking or vaping or eating THC. I will say it will cause brain issues but that's just one of the stages to death with alcohol not THC.

Maybe you guys could be real leaders and greatly reduce alcoholism in our state by imposing limits on amount of alcohol sold to a single person during a purchase. I mean really with that mindset in our consumerism it would really change our whole personal perspective on alcohol in just a few years and greatly reduce alcoholism. It's practical just like limits on THC.

Thanks for reading this far,

Mike Lowery.

509-554-2261

LCB response: The rulemaking on implementing <u>Substitute House Bill 1453</u> is a separate rulemaking project. There are numerous regulations regarding alcohol that have been in force, created, edited, and enforced for almost a century. The regulation of alcohol is not the topic of this rulemaking and any changes to alcohol rules would be beyond the scope of this rulemaking.

Was the comment reflected in the adopted rule? No.

3. Christine Marshall, 4/25/24

Hi this is Chris Marshall owner of store #413407.

I have a question about this Consultant sign that is going on the outside of my small business in Allyn.

I realize that you want me to post the hours that the consultant will be working.

The problem is for me, is that I'm an on call dentist, and I fill in for, and I work, at many dental jobs away from my shop, and right now, I happen to be the only consultant. Another bud tender is getting certified but they are not certified yet.

I understand that this would be a great idea at a very busy shop that has lots of drop-in medical patients. Our store does not have many drop in's.

Is it possible that I can put the "consultant can be seen by appointment only". Then the phone number to reach me?

Otherwise I can make multiple signs and change the hours constantly as my hours change at my dental job.

Christine Marshall DDS

LCB response: During the stakeholder engagement sessions, several individuals suggested that cannabis consultants being available "by appointment" should satisfy the proposed requirement for posting cannabis consultant hours. This was explained as arising out of a concern for turning the hours posting requirement into a requirement that cannabis consultants be required to spend certain hours dedicated solely to registering and entering patients into the database and not able to spend time on other business needs. Others also stated that the communities they served frequently would call the retailer before to schedule appointments, and allowing this practice to continue served the same goal of increased patient access.

The rule language seeks to achieve a middle ground between requiring dedicated hours of cannabis consultant availability and allowing a "by appointment" system to satisfy that requirement. Allowing cannabis consultant availability solely by appointment to satisfy this requirement may return some patients to the status quo, where the burden is on the patient to call retailers and confirm when cannabis consultants would be available to provide services. The rule language instead allows for "by appointments" to satisfy the consultant hours posting requirement provided that a general window of time is identified during which appointments can be scheduled. For example, a sign that says "Consultants available by appointment between 10 AM and Noon" achieves both goals of allowing for patients to have more reliability about when consultants are available, while simultaneously allowing cannabis consultants to do other business tasks when appointments are not booked.

Was the comment reflected in the adopted rule? No.

4. The Cannabis Alliance, 5/23/24

Dear Rules Coordinator.

Thank you for your engagement and thoughtful efforts toward making the retail medical cannabis endorsement system clearer and more effective for everyone.

We have reviewed the CR102 and generally believe it addresses the concerns and meets the objectives for improvements. However, we have one suggestion to clarify the responsibilities of holding an endorsement. This clarification would set clearer expectations for retailers from the start, reduce the need for enforcement later on, and provide better access for patients within the I502 system.

Our suggestion is to create a checklist of requirements for maintaining a medical endorsement, which would be explicit and mandatory at the time of application. We recommend using a modified version of the existing LCB form <u>LIQ -1276</u>. This form should be revised to include a space for the applicant's initials next to each requirement. The intention is to ensure that the applicant acknowledges and agrees to each requirement individually, rather than merely glancing at the form and signing it as part of a larger application. The process of signing and initialing this form to receive a medical endorsement should be clearly outlined in the rules.

Toward that end, we propose the following language be added:

"Application to add or remove a medical cannabis endorsement shall include an initialed and signed attestation that the applicant understands the terms of holding an endorsement. The attestation will include the name of the certified medical consultant on staff."

Again, thank you for all of your thoughtful work to date. We believe this final suggestion will be a meaningful improvement.

LCB response: The <u>LIQ-1276</u> form that is used by cannabis licensees to add a medical cannabis endorsement to their license will need to be amended as a result of this rulemaking, to accurately reflect at a minimum, the new cannabis consultant hour posting requirement. While many endorsements exist for liquor licensees and those endorsements all have separate sections of Title 314 WAC dedicated to them, none of the existing rules on liquor license endorsements specify that a signed attestation or form must be submitted to obtain the endorsement. The form already includes the following language above the signature block for the applicant:

"I understand that these are continuing requirements and failure to meet any of these requirements at any time may result in the revocation of this authorization by the WSLCB."

This language already serves as an attestation, and the applicant, by signing the form, already indicates that they understand the requirements and the potential consequences of failing to abide by those requirements. Adding a space next to individual requirement for the applicant to initial would require additional staff hours to validate without any recourse for failing to initial an individual requirement.

In response to the same concerns that prompted the filing of the petition for rulemaking that initiated this rulemaking to begin with, the Licensing division revised its process to include requiring the submission of a cannabis consultant certificate with the LIQ 1276 form for getting a medical cannabis endorsement. Additionally, the Enforcement & Education division provides a great deal of information to retail licensees who hold a medical cannabis endorsement during the final inspection prior to receiving a retail license.

In conjunction with Licensing's new process, the Enforcement & Education division contacted 26 licensees beginning in January 2024 who had not issued any recognition cards during the prior quarter. That information was provided by the Department of Health as part of the new processes put in place to monitor medical cannabis endorsement compliance. 16 of those licensees asked to surrender their medical cannabis endorsement, and the remaining 10 provided evidence of their ongoing compliance with the medical cannabis endorsement rules.

Given that the cannabis consultant certificate is already required to be submitted with the LIQ 1276 to receive a medical cannabis endorsement, it is not necessary to change the

LIQ 1276 form to add a space to identify the medical cannabis consultant, especially given the improved compliance results that have been achieved since the new cross-agency and divisional processes have been put in place.

Was the comment reflected in the adopted rule? No.

During the public hearing held June 5, 2024, no testimony was provided.

Were any changes made between the proposed and final adopted rules? No. No changes have been made between the proposed rules in the CR 102 and the final rules.

Addendum

Following a preview of these materials during the caucus held on June 11, 2024, stakeholders reached out to Board members and LCB staff to reiterate their concern about the LCB declining to change the CR 102 rule language to reflect comments made by The Cannabis Alliance as stated in the May 23, 2024, letter. The LCB wishes to reiterate the LCB Response to The Cannabis Alliance letter dated May 23, 2024, above.