



## CR 103 Memorandum

### Re: Medical Cannabis Endorsements.

Date: June 18, 2024  
Presented by: Daniel Jacobs, Rules Coordinator

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### Background

[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 [petition](#) 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 [draft rule language](#) and [discussion topics](#) were published on the Board's website.

Three main changes were made to WAC 314-55-080 in the CR 102 filed 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.

The CR 102 was filed on April 24, 2024 ([WSR 24-10-043](#)) with the proposed rule changes identified in the table below. Several comments and some language edits were received on the draft rule language between the time the CR 102 was filed and up until the public hearing on June 5, 2024. (Attachment A).

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

### Rule Necessity & Description of Rule Changes

Section	Current Rule Language	Proposed New Language	Rule Necessity
(3)	With addition of new requirement at (3)(c), existing (3)(d) – (3)(i) is renumbered as (3)(e) – (3)(j) accordingly		Necessary for numbering.
(3)(b)	Have a consultant on staff in accordance with department of health rules;	Have a consultant on staff in accordance with chapter 246-72 WAC;	Improving clarity without changing effect.
(3)(c)	<p style="text-align: center;"><b>New Language</b></p> (c)(i) Have consulting service hours for entering qualifying patients into the medical cannabis database posted alongside hours of operation as required in WAC 314-55-055; (ii) The requirement in (c)(i) of this subsection can be met by posting a window of time where appointments with cannabis consultants can be scheduled;		New requirement to increase transparency of retailers regarding availability of medical cannabis consultant.

(3)(d)	Maintain at all times, a representative assortment of cannabis products necessary to meet the needs of qualified patients and designated providers;	Have in stock at all times, or on order, cannabis products that comply with chapter 246-70 WAC;	Improving clarity and removing unnecessary additional wording that caused confusion and required regulatory guidance and interpretation.  Added language indicating that having compliant cannabis on order satisfies this requirement.
(3)(f)	Demonstrate the ability to enter qualifying patients and designated providers in the medical cannabis authorization database established by the department of health;	Maintain the ability to enter qualifying patients and designated providers in the medical cannabis authorization database established by the department of health;	Improving clarity without changing effect.
(4)	<b>A cannabis retailer holding a medical cannabis endorsement may sell products with a THC concentration of 0.3 percent or less.</b> The licensee may also provide these products at no charge to qualifying patients or designated providers.	The licensee may provide cannabis products complying with chapter 246-70 WAC at no charge to qualifying patients or designated providers.	Improving clarity without changing effect.  Medical cannabis endorsement holders remain able to sell products with THC less than 0.3 percent per RCW 69.50.378.
(6)	Failure to comply with subsections (3) and (5) of this section may result in suspension or revocation of the medical cannabis endorsement.	(a) Noncompliance with the requirements of subsection (3) of this section may result in the discontinuance of the medical cannabis endorsement. (b)(i) After being notified of noncompliance with the requirements of this section by the board, the endorsement holder shall have at least seven calendar days and no more than 30 calendar days to demonstrate compliance with this section. If noncompliance remains after the deadline identified by the board, the endorsement is discontinued. (ii) If a licensee applies for a medical cannabis endorsement after it has previously been discontinued pursuant to (b)(i) of this subsection, the application and documentation verifying compliance with the requirements of this section must be submitted to the board.	1. Replacing words “suspension” and “revocation” with discontinuance. 2. Providing a period to cure noncompliance with regulatory requirements. Depending on the noncompliance, the cure period can least anywhere from seven to 30 calendar days. Continued noncompliance after the cure period results in discontinuance of the endorsement. 3. Subsequent application for an endorsement requires a demonstration of compliance with the regulatory requirements.
(7)	Noncompliance with subsection (5) of this section may result in the discontinuance of the medical cannabis endorsement.		Creating a new subsection to separate language from old subsection (6).

## **Variance between proposed rule (CR 102) and final rule:**

No changes have been made between the proposed rule and final rule language.

## **Rule Implementation (RCW 34.05.328(3)(a))**

### Informing and Educating Persons Impacted by the Rule (RCW 34.05.328(3)(b))

To help inform and educate persons impacted by the rule, the LCB will:

- Email notice with the adoption materials to persons who commented on the rules, the rule making and licensee distribution lists, and the general LCB GovDelivery list;
- Post rule adoption materials, including final rule language, response to comments, final analysis (Concise Explanatory Statement), and any other relevant documents on the rulemaking webpage for public access.

### Promoting and Assisting Voluntary Compliance (RCW 34.05.328(3)(c))

LCB will promote and assist voluntary compliance through technical assistance.

- LCB staff are available to respond to phone and email inquiries about the rules.
- Agency leadership and staff have actively participated in rule development and revisions and are familiar with the final product. Internal and external education efforts to share knowledge and assure consistent application of rule will be supported.
- Rule and guidance documents will be available on the LCB website.
- LCB will use available and customary resources to disseminate materials and information to all persons impacted by the rules.

These actions are designed to inform and educate all persons impacted by the rules to support and promote voluntary compliance.

### Training and Informing LCB Staff

Several LCB staff responsible for implementing these adopted rules work directly with impacted parties and are already familiar with the nuances of the rule changes. Additional internal guidance documents may be prepared as necessary. The LCB will also consider:

- Provision of internal and external training and education, as needed, potentially including webinars, training, and videos if appropriate;
- Coordinating and centrally locating decisions to assure consistency between agency, staff, and industry.

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**Rule Effectiveness Evaluation (RCW 34.05.328(3)(d))**

After the rule becomes effective, the LCB will evaluate the effectiveness of this rule in the following ways, including but not limited to:

- Monitoring questions received after the effective date of this rule, and adjusting training and guidance accordingly;
- Monitoring the number of enforcement actions, including type, resolution, and the outcome;
- Monitoring the number of requests for rule language revisions or changes;
- Monitoring the number of requests for rule interpretation;
- Monitoring licensee feedback including, but not limited to, the number of requests for assistance.