

CR 101 Memorandum

Regarding WAC 314-55-015 allowing minors under the age of 21 on licensed premises of cannabis producers and processors.

Date:February 28, 2024Presented by:Denise Laflamme, Rules Coordinator

Background

In August 2022, the Board accepted two petitions, both from Crystal Oliver, to consider rulemaking to amend WAC 314-55-015(2) to allow for exemptions to the prohibition of persons under the age of 21 on the premises of licensed cannabis producers and processors. One petition requested that the Liquor and Cannabis Board (LCB) codify a <u>temporary cannabis license allowance</u>, put in place in March 2020 in response to Covid-19, that permitted minors under sixteen years of age on licensed premises of cannabis producers and processors, in limited circumstances. These circumstances included that the child under sixteen was a child or grandchild of the licensee, was not engaging in any work or act of employment for the licensed business, and did not possess any products associated with the production, processing, or sales of cannabis. This allowance expired on December 31, 2022.

The second petition requested that employees, under the age of twenty-one, of contractors engaged in construction, electrical, plumbing, HVAC work, etc. be permitted on licensed premises of cannabis producers and processors, provided the person is over the age of sixteen and not engaging in any work related to production, processing or sales of cannabis.

Under <u>WAC 314-55-015(2)</u>, no one under 21 years of age may enter or remain on cannabis licensed premises except as provided in <u>RCW 69.50.357</u>, which allows qualifying patients under 21 years of age on the premises of retail outlets only, under certain conditions. Statute explicitly prohibits the delivery, sale, or possession of cannabis products to persons under 21 years of age but does not prohibit persons under 21 years of age to enter or remain on the licensed premises of a producer or processor. The Board has broad statutory authority to adopt rules that regulate producer and processor licenses as provided in RCW 69.50.325, RCW 69.50.342, and RCW 69.50.345.

Since January 2024, LCB has received over fifty-five emails in support of, and one email opposing, rule changes to allow children under sixteen on the premises of licensed cannabis producers and processors, under certain circumstances. Most of the emails in support contained the following points, which are similar to language submitted in the original petition:

- 1. The current prohibition on minors entering licensed premises is not mandated by RCW and appears to be an unnecessary restriction.
- 2. Enforcing this prohibition negatively impacts family-owned and womenowned farms, hindering family time and support systems.
- 3. Licensees have reported positive outcomes from allowing children and grandchildren on site, such as increased family time and academic support.
- 4. There have been no significant issues related to minors' presence on the premises over the past two-plus years.
- 5. This rule change promotes equity in the cannabis industry, benefiting small, independent, women, and minority-owned businesses.

Reasons Why Rulemaking Is Needed

Rulemaking is needed to consider amending WAC 314-55-015 to allow certain persons under the age of 21 on the licensed premises of producers and processors. Amending the rules may provide additional flexibility and support for small businesses and family-owned operations.

Process

The negotiated rulemaking process begins by announcing the Board's intent to consider changes to existing rules, add 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, and agency partners 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 this possible rulemaking during the designated comment periods. Engagement sessions will also be held to allow stakeholders and other interested parties to engage with LCB to formulate proposed rules.