



NOTICE OF ADOPTION OF POLICY STATEMENT

Title of Policy Statement: Title Certificates for Cannabis Retail Licensees in Jurisdictions Where Local Ordinances Prohibit Cannabis Sales – Policy Statement Number PS21-03.

Issuing Entity: Washington State Liquor and Cannabis Board

Subject Matter: This policy statement is intended to reaffirm application criteria for a cannabis [marijuana] retail license Title Certificate, conditions and requirements for maintenance of a cannabis [marijuana] retail license Title Certificate, criteria for transferring a cannabis [marijuana] retail license Title Certificate, and parameters for reinstating a cannabis [marijuana] retail license Title Certificate.

Effective Date: July 7, 2021

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Policy Statement

Title: Title Certificates for Cannabis Retail Licensees in Jurisdictions Where Local Ordinances Prohibit Cannabis Sales **Number:** PS21-03

References: [RCW 69.50.325](#)
[RCW 69.50.342](#)
[RCW 69.50.345](#)
[RCW 69.50.354](#)
[RCW 69.50.360](#)
[WAC 314-55-079](#)

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[RCW 34.05.230 – Interpretive and policy statements](#)

- (1) An agency is encouraged to advise the public of its current opinions, approaches, and likely courses of action by means of interpretive or policy statements. Current interpretive and policy statements are advisory only. To better inform the public, an agency is encouraged to convert long-standing interpretive and policy statements into rules.

INTRODUCTION

Throughout this document, the term “cannabis” is used in the context of the statutory meaning of “marijuana” as defined in chapter 69.50 RCW.

This policy statement is intended to reaffirm application criteria for a cannabis retail license Title Certificate, conditions and requirements for maintenance of a cannabis retail license Title Certificate, criteria for transferring a cannabis retail license Title Certificate, and parameters for reinstating a cannabis retail license Title Certificate.

This policy statement replaces previous agency guidance concerning this topic.

BACKGROUND

Since cannabis was legalized by the passage of Initiative 502 in 2012, some local jurisdictions adopted moratoria, bans, restrictive zoning laws, reduced allocations, and placed other prohibitions on the retail sale of cannabis. However, despite these restrictions, state law requires that cannabis retail licensees must comply with all licensing requirements, whether or not the retail outlet is physically able to open for business.

To reduce the costs of maintaining license requirements, WSLCB issued Board Interim Policy 04-2018 in April 2018 to allow cannabis retail licensees who were legally prohibited from opening anywhere within their allotted jurisdiction to apply for a Title Certificate. This policy statement supersedes and replaces Board Interim Policy 04-2018.

STATUTORY AUTHORITY

RCW 69.50.325(3) describes the marijuana retailer license to sell marijuana concentrates, usable marijuana and marijuana-infused products at retail in retail outlets, regulated by the WSLCB and subject to annual renewal.

RCW 69.50.342 provides WSLCB with the authority to create rules concerning, among other things, the equipment and management of retail outlets; security requirements; application, and reinstatement and renewal fees.

RCW 69.50.345(2) provides WSLCB with the authority to create rules concerning, among other things, the maximum number of retail outlets that may be licensed in each county.

RCW 69.50.354 provides that retail outlet licenses are established for the purpose of making marijuana concentrates, usable marijuana and marijuana-infused edible products available for sale to adults. Retail sales of such products by validly licensed marijuana retailers or retail outlet employees is not a criminal offense.

RCW 69.50.360 further describes certain acts that are not considered criminal offenses by licensed marijuana retailers and their employees, and among other things, outlines possession limits, in addition to delivery, distribution and sale limits.

WAC 314-55-079 describes marijuana retailer license privileges, requirements and fees.

POLICY STATEMENT

Cannabis retail license Title Certificate holders are not required to maintain **all** license requirements, but must meet the conditions specified in this Policy Statement. Failure to follow the requirements may result in corrective action, or cancellation of a Title Certificate.

Cannabis retail licensees located in jurisdictions that meet the following criteria may apply for a Title Certificate:

- Jurisdictions with a ban or moratorium that applies to the entire jurisdiction;
- Jurisdictions with zoning rules that prohibit cannabis retail licensees from opening throughout the entire jurisdiction;
- Jurisdictions with ordinances that prohibit cannabis retail licensees from opening without federal approval; or
- Jurisdictions with ordinances that establish an allotment smaller than that of the WSLCB for that area, and the jurisdiction met that allotment prior to the issuance of the license.

Cannabis retail licensees with a Title Certificate are **not** required to comply with the following provisions that are required for cannabis retail license holders:

- A physical location (WAC 314-55-135(6));
- Security cameras (WAC 314-55-083);
- Traceability (WAC 314-55-083);
- Annual license fees (WAC 314-55-077(4)(b));
- Insurance requirements (WAC 314-55-082); and
- Sales reporting (WAC 314-55-089(4)(b)).

Applicants for the cannabis retail license Title Certificate must maintain all other license requirements until WSLCB issues the Title Certificate.

Cannabis Retail License Title Certificate requirements:

- The applicant must provide WSLCB with a copy of the local ordinance from the jurisdiction attesting that there is no legal location available for cannabis retail licensees within the jurisdiction.
- No cannabis may be on the licensed premises before issuing a Title Certificate.
- A Title Certificate holder may hold a maximum of five retail licenses and Title Certificates combined.
- A Title Certificate holder may not hold or have any interest in a cannabis producer or processor license.
- A Title Certificate holder must continue to submit all changes to the business entity structure (ownership changes, adding or removing members) to the WSLCB for approval before making changes to the structure.
- The Title Certificate is not a license and Title Certificate holders do not have the authority to sell cannabis.

- Title Certificate holders must immediately notify the WSLCB if there are changes in the jurisdiction that would allow operations to begin.

Transferring Title Certificates:

- Title Certificates cannot be leased. Title Certificate holders may transfer a Title Certificate to a qualified applicant with prior approval from the WSLCB. The Title Certificate transfer applicant must apply to obtain the Title Certificate with the WSLCB Licensing and Regulation Division prior to the transfer and meet all qualifications for holding a license as described in chapter 69.50 RCW and chapter 314-55 WAC.
- All true parties of interest involved in the transfer must pass a background check, financial investigation, be current on all WSLCB taxes and fees, and meet residency requirements.
- Title Certificate transfer applicants are required to pay any applicable fees (e.g. fingerprinting costs) related to the Title Certificate transfer.
- Title Certificate transfer applicants must provide evidence from the Washington Secretary of State's Office that the business entity seeking to obtain the Title Certificate was formed in Washington State.
- Before the WSLCB will approve a Title Certificate transfer, the Title Certificate transfer applicant must submit a notarized bill of sale that includes:
 - The type of property sold;
 - The purchase price and any other monies exchanged related to the transfer of the Title Certificate;
 - Signatures and dates for all true parties of interest on the original Title Certificate; and
 - All true parties of interest seeking to obtain the title.
- The WSLCB will conduct an investigation of all applicants, including all true parties of interest, and cannabis law or rule administrative violation history.

Reinstating the license:

- Title Certificate holders must reinstate their license within 6 months of the assigned jurisdiction allowing cannabis retail licensees, or the Title Certificate may be cancelled.
- Title Certificate holders may reinstate a license only in the jurisdiction in which it was originally issued.
- Title Certificate holders must meet all license requirements described in chapter 69.50 RCW and chapter 314-55 WAC before the WSLCB will reinstate the license.
- The Title Certificate is not a license and the holder does not have the authority to sell or purchase cannabis until the holder reinstates the license.

Title Certificates for applicants who are issued new licenses will be invalidated. Title Certificates holders may not transfer a Title Certificate during the license application process.