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NEW SECTION

WAC 314-55-502 Notice of correction.

(1) The board may issue a notice of correction to a licensee during a non-technical assistance inspection or visit as described in WAC 314-55-XXX if the board becomes aware of conditions that are not in compliance with chapters 69.50 and 69.51A RCW, and this chapter.

(2) The notice of correction must include and clearly state:

- (a) A detailed description of the noncompliant condition;
 - (b) The text of the specific section or subsection of the applicable rule;
 - (c) A statement of what is required to achieve compliance;
 - (d) The date by which the board requires compliance to be achieved;
 - (e) Notice of the means to contact any technical assistance services provided by the board or others;
- and

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(f) Notice of when, where, and to whom a request to extend the time to achieve compliance for good cause may be filed with the board.

(3) A notice of correction is not a formal enforcement action, is not subject to appeal, and is a public record.

(4) If the licensee does not comply with the notice of correction, the board may issue an administrative violation notice consistent with WAC 314-55-505 for the violations identified in the notice of correction.

WAC 314-55-505 Administrative violation notice. (1) The board may issue an administrative violation notice without issuing a notice of correction if:

(a) The licensee is not in compliance with chapters 69.50 and 69.51A RCW, this chapter, or both, and the noncompliance poses a direct or immediate threat to public health and safety;

(b) The licensee has previously been subject to an enforcement action or written notice for a violation of the same statute or rule within the same penalty

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category, the notice of correction for the violation has already been issued, the licensee failed to timely comply with the notice, and such notice is not subject to a pending request to the board to extend the time to achieve compliance; or

- (c) The licensee has failed to respond to prior administrative violation notices or has outstanding unpaid monetary penalties; and
- (d) The board can prove by a preponderance of the evidence:
 - (i) Diversion of marijuana product out of the regulated market or sales across state lines;
 - (ii) Furnishing of marijuana product to persons under twenty one;
 - (iii) Diversion of revenue to criminal enterprises, gangs, cartels, or parties not qualified to hold a marijuana license based on criminal history requirements;
 - (iv) The commission of nonmarijuana-related crimes,or

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(v) Knowingly making a misrepresentation of fact to the board, an officer of the board, or an employee of the board related to conduct or action that is, or is alleged to be, any of the violations identified in WAC 314-55-505(e) (i) through (v).

(2) The board will prepare an administrative violation notice and mail or deliver the notice to the licensee, licensee's agent, or employee.

(3) The administrative violation notice will include:

(a) A detailed description of the alleged violation(s);

(b) The date(s) of the violation(s);

(c) The text of the specific section or subsection of rule;

(d) An outline of the licensee's resolution options as outlined in WAC 314-55-5055; and

(e) The recommended penalty as described in this chapter, and including a description of known mitigating and aggravating circumstances considered in the penalty determination.

[Statutory Authority: RCW 69.50.342 and 69.50.345. WSR 16-11-110, § 314-55-505, filed 5/18/16, effective 6/18/16. Statutory

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Authority: RCW 69.50.325, 69.50.331, 69.50.342, 69.50.345. WSR
13-21-104, § 314-55-505, filed 10/21/13, effective 11/21/13.]

NEW SECTION

WAC 314-55-5055 - Resolution options.

(1) A licensee must respond to an administrative violation notice within twenty calendar days from receipt of the notice. The response must be submitted on a form provided by the board. The licensee may:

- (a) Accept the recommended penalty identified in the administrative violation notice;
- (b) Request a settlement conference in writing;
- (c) Request an administrative hearing in writing.

(2) If a licensee does not respond to an administrative violation notice within twenty calendar days of receipt of the notice, recommended penalties, including but not limited to suspension, monetary penalties, and destruction of inventory may take effect on the twenty-first day.

- (a) If the recommended penalty is monetary and does not include a suspension, inventory destruction, or both, the licensee must pay a twenty-five percent late fee in addition to the recommended monetary penalty.

- (i) The board must receive payment of the monetary penalty and twenty-five percent late fee no later than thirty days after

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the administrative violation notice
receipt date.

- (ii) Payments received more than thirty days after the administrative violation notice receipt date are subject to an additional twenty-five percent late fee.
- (b) Licensees who do not pay monetary penalties for two or more administrative violation notices in a two year period will not be eligible to renew their marijuana license.
- (c) Licensees who do not respond to an administrative violation notice or have outstanding fines will not be eligible to renew their marijuana license.
- (3) A licensee may request a settlement conference to discuss the board's issuance of an administrative violation notice issued under this chapter. The hearing officer or designee of the board will arrange the date, time, and place of the settlement conference. A settlement agreement provides that the licensee accepts the allegations contained in the administrative violation notice.
 - (a) The purpose of the settlement conference is to:
 - (i) Discuss the circumstances associated with the alleged violation(s), including aggravating or mitigating factors;
 - (ii) Discuss the recommended penalties; and

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- (iii) Attempt to reach agreement on the appropriate penalty and corrective action plan for the administrative violation notice.
- (b) During a settlement conference, a licensee issued an administrative violation notice may request deferral of an administrative violation notice if all of the following criteria are met:
 - (i) The alleged violation is the first violation in a violation category; and
 - (ii) The licensee has no other violation history in that penalty category within a two year window; and
 - (iii) The licensee submits a plan to correct, remedy, or satisfy identified violations as described in the administrative violation notice, including but not limited to monetary penalties.
- (c) If the licensee is not issued any administrative violation notices or any other notice of non-compliance during the year following approval of the deferral of administrative violation, the record of administrative violation notice will not be considered for licensing renewal or penalty escalation.
- (d) If the licensee is issued an administrative violation notice or any other notice of non-compliance at any time during the year following approval of the

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deferral of administrative violation, the record of the administrative violation notice will remain on the licensee's licensing history, and the original sanction for the deferred violation will be implemented based on the frame established in the settlement agreement, or ten days from the date of default.

(4) The hearing officer or designee will prepare a settlement agreement. The agreement must:

(a) Include the terms of the agreement regarding an alleged violation or violations by the licensee of chapters 69.50 and 69.51A RCW, any part of chapter 314-55 WAC, and any related penalty or licensing restriction; and

(b) Be in writing, and signed by the licensee or the licensee's designee and the hearing officer or designee.

(5) If a settlement agreement is entered between a licensee and a hearing officer or designee of the board at or after a settlement conference, the terms of the settlement agreement must be given substantial weight by the board.

(6) The hearing officer or designee will forward the settlement agreement to the board or designee for final approval. If the board, or designee approves the settlement agreement, a copy of the signed agreement will be sent to the

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licensee, and will become part of the licensing history, unless otherwise specified in this chapter.

(7) If the board, or designee, does not approve the settlement agreement, the licensee will be notified of the decision in writing. The licensee may:

- (a) Renegotiate the settlement agreement with the hearing officer or designee; or
- (b) Accept the originally recommended penalty; or
- (c) Request a hearing on the administrative issues identified in the administrative violation notice.

(8) Monetary penalty collection. If monetary penalties are assessed as part of an administrative violation, settlement agreement, or both, licensees must submit payment to the board in a timeframe established by the board, consistent with WAC 314-55-5055(2) (a) and (b).

- (a) If a licensee does not timely submit payment of any monetary fine, the board will begin collection or other appropriate action.
- (b) The board will provide a notice of collection action to the licensee. The notice of collection action establishes the licensee as a debtor for purposes of debt collection.
- (c) If the licensee does not respond to the notice of collection within thirty days, the board may:

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- (i) Assess a twenty-five percent late fee consistent with subsection (2) (a) of this section; and
- (ii) Assign the debt to a collection agency.

WAC 314-55-506 Summary license suspension. (1) The board may summarily suspend any license after the board's enforcement division has:

- (a) Completed a preliminary staff investigation of the violation; and
- (b) Upon a determination that immediate cessation of the licensed activities is necessary for the protection or preservation of the public health, safety, or welfare.

(2) Suspension of any license under this section is effective immediately upon personal service of the summary suspension order on the licensee or employee thereof. (3) When a license has been summarily suspended by the board, an adjudicative proceeding for revocation or other action must be promptly instituted before an administrative law judge assigned by the office of administrative hearings. If a request for an administrative hearing is timely filed by the licensee or permit holder, then a hearing will be held within ninety calendar days

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of the effective date of the summary suspension ordered by the board. The ninety day period may be extended for good cause.

[Statutory Authority: RCW 69.50.342 and 69.50.345. WSR 16-11-110, § 314-55-506, filed 5/18/16, effective 6/18/16. Statutory Authority: RCW 69.50.325, 69.50.331, 69.50.342, 69.50.345. WSR 13-21-104, § 314-55-506, filed 10/21/13, effective 11/21/13.]

WAC 314-55-507 Petition for stay. (1) When the board summarily suspends a license under WAC 314-55-506, an affected licensee may petition the board for a stay of suspension. . A petition for a stay of suspension must be received by the board within ten calendar days of service of the summary suspension order on the licensee. The petition for stay must clearly describe the basis for the stay.

(2) A hearing will be held before an administrative law judge within fourteen calendar days of receipt of a timely petition for stay. The hearing is limited to consideration of whether a stay should be granted, or whether the terms of the suspension will be modified to allow the conduct of limited activities under current licenses.

(3) A hearing conducted under subsection (2) of this section will be a brief adjudicative proceeding under RCW

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34.05.485. The agency record for the hearing must consist of the documentary information upon which the summary suspension was based. The licensee is permitted to supplement the record with additional documentation during the brief adjudicative proceeding. The licensee must demonstrate by clear and convincing evidence that:

(a) The licensee is likely to prevail upon the merits at hearing;

(b) Without relief, the licensee will suffer irreparable injury. For purposes of this section, income alone from licensed activities is not deemed irreparable injury;

(c) The grant of relief will not substantially harm other parties to the proceedings; and

(d) The threat to the public health, safety, or welfare is not sufficiently serious to justify continuation of the suspension, or that modification of the terms of the suspension will adequately protect the public interest.

(4) The initial order on stay is effective immediately upon service unless another date is specified in the order.

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[Statutory Authority: RCW 69.50.342 and 69.50.345. WSR 16-11-110, § 314-55-507, filed 5/18/16, effective 6/18/16. Statutory Authority: RCW 69.50.325, 69.50.331, 69.50.342, 69.50.345. WSR 13-21-104, § 314-55-507, filed 10/21/13, effective 11/21/13.]

NEW SECTION

WAC 314-55-509 Penalty structure.

(1) The board determines if a penalty will be imposed. Penalties are based on the severity of the violation in the following categories:

- (a) Category I: Violations of a severity that would make a license eligible for cancellation on a first offense;
- (b) Category II: Violations that create a direct or immediate threat to public health, safety, or both;
- (c) Category III: Violations that create a potential threat to public health, safety, or both;
- (d) Category IV: Significant regulatory violations;
- (e) Category V: Procedural and operational violations;
- (f) Category V: Statutory violations.

(2) For purposes of assessing penalties, only violations occurring in the two year time period immediately preceding the date of the violation will be considered unless otherwise provided in this chapter.

(3) The board may, at its discretion, deviate from the prescribed penalties herein. Such deviations will be determined on a case-by-case basis, considering mitigating and aggravating factors.

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- (a) Mitigating factors may result in a waiving or lowering of fines, civil penalties, imposition of a fine in lieu of suspension, or fewer days of suspension. Mitigating factors may include demonstrated business policies and practices that may reduce risk to public health and safety.
 - (b) Aggravating factors may result in increased days of suspension, increased monetary penalties, cancellation, or non-renewal of a marijuana license. Aggravating factors may include obstructing an investigation, business operations, behaviors, or both, that increase risk to public health and safety.
- (4) For violations that occurred before the effective date of these rules, enforcement action will be based on the rules that were in effect on the date the violation occurred. Subsection 2 of this section shall apply to all enforcement actions regardless of the date the violation occurred.

WAC 314-55-520 Category I. Violations of a severity that would make a license eligible for cancellation on a first offense. The board may not cancel a license for a single violation, unless it can prove a Category I violation by a preponderance of the evidence.

Category I: Violations of a severity that would make a license eligible for cancellation on the first offense.		
Violation Type	1st Violation	2nd Violation in a two-year window

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<p>Marijuana purchased from an unlicensed entity. WAC 314-55-083(4)</p>	<p>License cancellation</p>	
<p>Marijuana sold to an unlicensed, non-retail source. Illegal sales out of the licensed market place. WAC 314-55-083(4)</p>	<p>License cancellation</p>	
<p>Condition of suspension violation: Failure to follow any suspension restriction while marijuana license is suspended. WAC 314-55-540</p>	<p>Original penalty plus 10-day suspension with no monetary option.</p>	<p>License cancellation</p>
<p>Transportation or storage of marijuana to or from an unlicensed source, diversion of product, or both. WAC 314-55-083(4)</p>	<p>License cancellation</p>	
<p>Transportation of marijuana outside of Washington state boundaries. RCW 69.50.342(1)(k) RCW 69.50.345(10) WAC 314-55-310(1)</p>	<p>License cancellation</p>	
<p>True Party of Interest (TPI) Allowing a person to exercise ownership or control if the person would not have qualified based on affiliation with a criminal enterprise as described in chapter 69.50 RCW. WAC 314-55-035(1)</p>	<p>License cancellation</p>	
<p>Financier Receiving money from a financier that was not disclosed to or approved by the board when the financier has a criminal history demonstrating an affiliation with criminal enterprises, gangs, or cartels; or the money provided by a financier originated from criminal enterprises, gangs, or cartels. WAC 314-55-035(4)</p>	<p>License cancellation.</p>	

NEW SECTION

WAC 314-55-521 **Category II.** Violations that create a direct or immediate threat to public health, safety, or both.

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Category II: Violations that create a direct or immediate threat to public health, safety, or both.				
Violation Type	1st Violation	2nd Violation in a two-year window	3rd Violation in a two year window	4th Violation in a two year window
Furnishing to persons under twenty-one years of age, except as allowed in RCW 60.50.357. RCW 69.50.354 WAC 314-55-079(1)	5-day suspension or \$1,250 monetary option	10-day suspension or \$7,500 monetary option	30-day suspension	License Cancellation
Conduct violations: Criminal conduct: Permitting or engaging in criminal conduct, or both. Disorderly conduct, or apparent intoxication of a licensee or employee, or permitting on premises. Title 9 RCW Title 9A RCW WAC 314-55-110(4)(b)	5-day suspension or \$1,250 monetary option	10-day suspension or \$7,500 monetary option	30-day suspension	License Cancellation
Operating an unapproved CO2 or hydrocarbon extraction system. WAC 314-55-104	\$10,000 monetary fine	License Cancellation		
Intentional use of unauthorized pesticides, soil amendments, fertilizers, other crop production aids. RCW 69.50.342 WAC 314-55-084	Tier 1: \$2,500 Tier 2: \$5,000 Tier 3: \$7,500 monetary fine and destruction of affected marijuana	Tier 1: \$7,500 Tier 2: \$15,000 Tier 3: \$22,500 monetary fine and destruction of affected marijuana	License Cancellation	
Adulterated usable marijuana with organic or nonorganic chemical or other compound. WAC 314-55-077 (5)(b) WAC 314-55-101	Tier 1: \$2,500 Tier 2: \$5,000 Tier 3: \$7,500 monetary fine and destruction of affected marijuana	Tier 1: \$7,500 Tier 2: \$15,000 Tier 3: \$22,500 monetary fine and destruction of affected marijuana	License Cancellation	
Transportation of marijuana without a manifest. WAC 314-55-085 (3)	Retail/transporter: \$1,250 monetary fine Producer/processor: Tier 1: \$1,250	Retail/transporter: 5-day suspension or \$2,500 monetary option	License Cancellation	

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WAC 314-55-096 (1)and(2) WAC 314-55-105(2) WAC 314-55-310(3)	Tier 2: \$2,500 Tier 3: \$5,000 monetary fine	Producer/processor: Tier 1: \$2,500 Tier 2: \$5,000 Tier 3: \$10,000 monetary fine		
Obstruction: Misrepresentation of fact; not permitting physical presence. WAC 314-55-185	10-day suspension or \$7,500 monetary option	30-day suspension	License Cancellation	
Failure to use and maintain traceability, or both: Including but not limited to failure to maintain records for flowering plant, finished product, any post-harvest product, any plant not on approved floor- plan, or not tagged, reusing identifier. WAC 314-55-083(4)	\$1,250 monetary fine	5-day suspension or \$2,500 monetary fine	10-day suspension or \$5,000 monetary fine	License Cancellation
Pickup, unload, or delivery at an unauthorized location. WAC 314-55-085 (5) (f) WAC 314-55-310	Retail/transportati on: 30-day suspension Producer/processor: Tier 1: \$10,000 Tier 2: \$20,000 Tier 3: \$30,000 monetary fine	Retail/transporter: 60-day suspension Producer/processor: Tier 1: \$20,000 Tier 2: \$40,000 Tier 3: \$60,000 monetary fine	License Cancellation	

NEW SECTION

WAC 314-55-522 **Category III:** Violations that create a potential threat to public health, safety, or both.

Category III: Violations that create a potential threat to public health, safety, or both.				
Violation Type	1st Violation	2nd Violation in a two-year window	3rd Violation in a two year window	4th Violation in a two year window
Driver transporting without a valid driver's license. WAC 314-55-310(5) (a)	5-day suspension or \$1,250 monetary option	10-day suspension	30-day suspension	License Cancellation
Exceeding maximum serving requirements for	\$1,250 monetary fine	Tier 1: \$2,500 Tier 2: \$5,000 Tier 3: \$7,500 monetary fine	Tier 1: \$5,000 Tier 2: \$10,000 Tier 3: \$15,000 monetary fine	License Cancellation

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<p>marijuana infused products.</p> <p>WAC 314-55-095 (1) (a) and (b)</p> <p>Exceeding transaction limits</p> <p>WAC 314-55-095 (2) (c)</p>				
<p>Failure to follow and maintain food processing facility requirements.</p> <p>RCW 69.50.342 (1) (a) (c) WAC 314-55-077 (4) (b) WAC 246-70-070 (1) (2)</p>	\$1,250 monetary fine	Tier 1: \$2,500 Tier 2: \$5,000 Tier 3: \$7,500 monetary fine	Tier 1: \$5,000 Tier 2: \$10,000 Tier 3: \$15,000 monetary fine	Tier 1: \$10,000 Tier 2: \$20,000 Tier 3: \$30,000 monetary fine
<p>Failure to maintain required surveillance system</p> <p>WAC 314-55-083 (3)</p>	\$1,250 monetary fine	5-day suspension or \$2,500 monetary option	10-day suspension or \$7,500 monetary option	30-day suspension or \$15,000 monetary option
<p>Retail sales: Unauthorized marijuana-infused products</p> <p>WAC 314-55-077(9) (a) and (b)</p>	\$500 monetary fine	5-day suspension or \$1,250 monetary option	10-day suspension or \$2,500 option	30-day suspension
<p>True Party of Interest: Allowing a person to exercise ownership or control who has not been disclosed to the board, and would have failed for any reason.</p> <p>WAC 314-55-035</p>	5-day suspension or \$2,500 monetary option	10-day suspension or \$5,000 monetary option	Retail/transporter: 30-day suspension Producer/processor: Tier 1: \$10,000 Tier 2: \$20,000 Tier 3: \$30,000 monetary fine	Retail/transporter: 60-day suspension Producer/processor: Tier 1: \$20,000 Tier 2: \$40,000 Tier 3: \$60,000 monetary fine
<p>Financier Receiving money from a financier that was not disclosed to or approved by the board when the financier or the source of funds would not have qualified for any a reason.</p> <p>WAC 314-55-035</p>	5-day suspension or \$2,500 monetary option	10-day suspension or \$5,000 monetary option	Retail/transporter: 30-day suspension Producer/processor: Tier 1: \$10,000 Tier 2: \$20,000 Tier 3: \$30,000 monetary fine	Retail/transporter: 60-day suspension Producer/processor: Tier 1: \$20,000 Tier 2: \$40,000 Tier 3: \$60,000 monetary fine

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Obstruction: failure to furnish records WAC 314-55-185(1)(c)	5-day suspension or \$2,500 monetary option	10-day suspension or \$5,000 monetary option	30-day suspension	60-day suspension
Failure to use traceability, maintain traceability, or both for quality assurance testing, including pesticide testing, potency testing, or both. WAC 314-55-083(4)(k)	\$1,250 monetary fine	\$2,500 monetary fine	10-day suspension or \$7,500 monetary option	30-day suspension or \$15,000 monetary option
Noncompliance with marijuana processor extraction requirements WAC 314-55-104	\$1,250 monetary fine	\$2,500 monetary fine	\$7,500 monetary fine	\$15,000 monetary fine
Sales in excess of transaction limits. WAC 314-55-095(2)(c)	\$1,250 monetary fine	5-day suspension or \$2,500 monetary option	10-day suspension or \$7,500 monetary option	30-day suspension or \$15,000 monetary option

NEW SECTION

WAC 314-55-523 **Category IV:** Violations that are significant regulatory violations.

Category IV: Significant regulatory violations.				
Violation Type	1 st Violation	2 nd Violation in a two-year window	3 rd Violation in a two year window	4 th Violation in a two year window
Noncompliance with record keeping requirements. WAC 314-55-087	\$500 monetary fine	5-day suspension or \$1,250 monetary fine	10-day suspension or \$2,500 monetary option	30-day suspension or \$7,500 monetary option
Marijuana illegally given away, including being sold below the cost of acquisition, true value, or both. WAC 314-55-017(3) WAC 314-55-018 (2)(f) WAC 314-55-018 (5) WAC 314-55-077 (11)(b)	\$500 monetary fine	5-day suspension or \$2,500 monetary option	10-day suspension or \$7,500 monetary option	30-day suspension or \$15,000 monetary option
Retail sales: Use of an unauthorized money transmitter.	\$500 monetary fine	5-day suspension or \$1,250 monetary option	10-day suspension or \$2,500 monetary option	30-day suspension or \$7,500 monetary option

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WAC 314-55-115(5)				
Misuse or unauthorized use of marijuana license (operating outside of license class). RCW 69.50.325	5-day suspension or \$2,500 monetary option	10-day suspension or \$5,000 monetary option	30-day suspension or \$10,000 monetary option	60-day suspension or \$20,000 monetary option
Selling or purchasing marijuana on credit. WAC 314-55-018 WAC 314-55-115	5-day suspension or \$2,500 monetary option	10-day suspension or \$5,000 monetary option	30-day suspension or \$10,000 monetary option	60-day suspension or \$20,000 monetary option
Engaging in nonretail conditional sales, prohibited practices, or both. WAC 314-55-017(1) WAC 314-55-018	\$1,250 monetary fine	5-day suspension or \$2,500 monetary option	10-day suspension or \$7,500 monetary option	30-day suspension or \$15,000 monetary option
Operating/floor plan: Violations of a WSLCB approved operating plan. WAC 314-55-020(11) (a)	\$500 monetary fine	5-day suspension or \$1,250 monetary option	10-day suspension or \$2,500 monetary option	30-day suspension or \$7,500 monetary option
Failure to maintain required insurance. WAC 314-55-082 WAC 314-55-310	\$1,250 monetary fine	5-day suspension or \$2,500 monetary option	10-day suspension or \$7,500 monetary option	30-day suspension or \$15,000 monetary option
Unauthorized sale to a retail licensee (processor). RCW 69.50.360 RCW 69.50.363 RCW 69.50.355 WAC 314-55-077 WAC 314-55-083(4)	\$1,250 monetary fine	Tier 1: \$2,500 Tier 2: \$5,000 Tier 3: \$10,000 monetary fine	Tier 1: \$7,500 Tier 2: \$15,000 Tier 3: \$30,000 monetary fine	Tier 1: \$15,000 Tier 2: \$30,000 Tier 3: \$60,000 monetary fine
PACKAGING AND LABELING WAC 314-55-105	HOLD WHILE WE WORK ON THESE RULE REVISIONS			
Unauthorized or unapproved product storage or delivery (processor/producer). WAC 314-55-085 (5)	\$1,250 monetary fine	Tier 1: \$2,500 Tier 2: \$5,000 Tier 3: \$7,500 monetary fine	Tier 1: \$5,000 Tier 2: \$10,000 Tier 3: \$15,000 monetary fine	Tier 1: \$10,000 Tier 2: \$20,000 Tier 3: \$30,000 monetary fine
Unauthorized or unapproved product storage or delivery (transporter). WAC 314-55-310 (5) (d)	\$1,250 monetary fine	\$2,500 monetary fine	\$5,000 monetary fine	\$10,000 monetary fine
Failure to meet marijuana waste disposal requirements. WAC 314-55-097	\$1,250 monetary fine	Tier 1: \$2,500 Tier 2: \$5,000 Tier 3: \$7,500 monetary fine	Tier 1: \$5,000 Tier 2: \$10,000 Tier 3: \$15,000 monetary fine	Tier 1: \$10,000 Tier 2: \$20,000 Tier 3: \$30,000 monetary fine
Sampling violations (processors/producers: (vendor, educational, and internal quality control samples)	\$1,250 monetary fine	Tier 1: \$2,500 Tier 2: \$5,000 Tier 3: \$7,500 monetary fine	Tier 1: \$5,000 Tier 2: \$10,000 Tier 3: \$15,000 monetary fine	Tier 1: \$10,000 Tier 2: \$20,000 Tier 3: \$30,000 monetary fine

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WAC 314-55-096				
Sampling violations (retail) WAC 314-55-096(5) WAC 314-55-096(6)	\$1,250 monetary fine	Tier 1: \$2,500 Tier 2: \$5,000 Tier 3: \$7,500 monetary fine	Tier 1: \$5,000 Tier 2: \$10,000 Tier 3: \$15,000 monetary fine	Tier 1: \$10,000 Tier 2: \$20,000 Tier 3: \$30,000 monetary fine
Failure to maintain required security alarm. WAC 314-55-083(2)	\$1,250 monetary fine	\$2,500 monetary fine	\$5,000 monetary fine	\$10,000 monetary fine

NEW SECTION

WAC 314-55-524 Category V: Violations that are procedural

and operational.

Category IV: Procedural and operation violations.				
Hours of Service: Sales of marijuana between 8:00 AM and 12:00AM. WAC 314-55-147	\$500 monetary fine	5-day suspension or \$1,250 monetary fine	10-day suspension or \$2,500 monetary option	30-day suspension
General advertising violations RCW 69.50.369 WAC 314-55-155	\$1,250 monetary fine	5-day suspension or \$2,500 monetary option	10-day suspension or \$5,000 monetary option	30-day suspension or \$10,000 monetary option
Engaging in conditional sales. WAC 314-55-017(2) retail WAC 314-55-017(1) (producer/processor)	\$1,250 monetary fine	5-day suspension or \$2,500 monetary option	10-day suspension or \$5,000 monetary option	30-day suspension or \$10,000 monetary option
Licensee, employee, or both failing to display identification badge. WAC 314-44-083(1)	\$250 monetary fine	5-day suspension or \$500 monetary option	10-day suspension or \$1,250 monetary option	30-day suspension or \$2,500 monetary option
Failure to post required signs. WAC 314-55-086	\$250 monetary fine	5-day suspension or \$500 monetary option	10-day suspension or \$1,250 monetary option	30-day suspension or \$2,500 monetary option
Unauthorized change of business name. WAC 314-55-130	\$500 monetary fine	5-day suspension or \$1,250 monetary option	10-day suspension or \$2,500 monetary option	30-day suspension or \$5,000 monetary option
Transporting marijuana in an unauthorized vehicle. WAC 314-55-085(5)	\$1,250 monetary fine	Retail/transporter: 5-day suspension or \$2,500 monetary option	Retail/transporter: 10-day suspension Producer/processor: Tier 1: \$5,000	Retail/transporter: 30-day suspension Producer/processor: Tier 1: \$10,000

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WAC 314-55-310		Producer/processor: Tier 1: \$2,500 Tier 2: \$5,000 Tier 3: \$7,500 monetary fine	Tier 2: \$10,000 Tier 3: \$15,000 monetary fine	Tier 2: \$20,000 Tier 3: \$30,000 monetary fine
Exceeding maximum delivery timeframe. WAC 314-55-085 WAC 314-55-083(4) (d)	\$1,250 monetary fine	Retail/transporter: 5-day suspension or \$2,500 monetary option Producer/processor: Tier 1: \$2,500 Tier 2: \$5,000 Tier 3: \$7,500 monetary fine	Retailer/Transporter 10-day suspension Producer/processor: Tier 1: \$5,000 Tier 2: \$10,000 Tier 3: \$15,000 monetary fine	Retail/transporter: 30-day suspension Producer/processor: Tier 1: \$10,000 Tier 2: \$20,000 Tier 3: \$30,000 monetary fine
Failure to maintain standardized scale requirements (producer/processor). WAC 314-55-099	\$1,250 monetary fine	Tier 1: \$2,500 Tier 2: \$5,000 Tier 3: \$7,500 monetary fine	Tier 1: \$5,000 Tier 2: \$10,000 Tier 3: \$15,000 monetary fine	Tier 1: \$10,000 Tier 2: \$20,000 Tier 3: \$30,000 monetary fine
Unauthorized driver or passenger. WAC 314-55-310(5) (a)	\$1,250 monetary fine	5-day suspension or \$2,500 monetary option	10-day suspension	30-day suspension
Transportation of marijuana without an accurate manifest. WAC 314-55-085(3) WAC 314-55-310(3)	\$1,250 monetary fine	5-day suspension or \$2,500 monetary option	10-day suspension	30 day suspension
Load exceeding maximum delivery amount. RCW 69.50.385(3) WAC 314-55-083(4) (d) WAC 314-55-085(1)	\$1,250 monetary fine	5-day suspension or \$2,500 monetary option	10-day suspension	30 day suspension
Retail sales: accepting returns. WAC 314-55-079(12)	\$500 monetary fine	5-day suspension or \$1,250 monetary option	10-day suspension or \$2,500 monetary option	30 day suspension
Failure to use traceability, maintain traceability, or both. (e.g. failure to comply with traceability requirements for clones, seeds; illegal or folded tags; movement within a location) WAC 314-55-083(4)	5-day suspension or \$2,500 monetary option	10-day suspension or \$5,000 monetary option	Retail/transporter: 30-day suspension Producer/processor: Tier 1: \$10,000 Tier 2: \$20,000 Tier 3: \$30,000 monetary fine	Retail/transporter: 60 day suspension Producer/processor: Tier 1: \$20,000 Tier 2: \$40,000 Tier 3: \$60,000 monetary fine
True Party of Interest (TPI): Allowing a person not disclosed to the board who would have qualified to exercise ownership or control, or allowing a TPI previously approved by the board to provide funds without disclosure.	\$1,250 monetary fine	5-day suspension or \$2,500 monetary option	Retail/transporter: 10-day suspension or \$5,000 monetary option Producer/Processor tier 1: \$5,000 Tier 2: \$10,000 Tier 3: \$20,000 monetary fine	Retail/transporter: 30-day suspension Producer/processor: Tier 1: \$10,000 Tier 2: \$20,000 Tier 3: \$30,000 monetary fine

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WAC 314-55-035 (XX)				
Financier Receiving money from a financier previously approved by the board that was not timely disclosed to the board or that was timely disclosed to the board but the source could not be verified.	\$1,250 monetary fine	5-day suspension or \$2,500 monetary option	Retail/transporter: 10-day suspension or \$5,000 monetary option Producer/Processor tier 1: \$5,000 Tier 2: \$10,000 Tier 3: \$20,000 monetary fine	Retail/transporter: 30-day suspension Producer/processor: Tier 1: \$10,000 Tier 2: \$20,000 Tier 3: \$30,000 monetary fine
WAC 314-55-035 (XX)				

WAC 314-55-525 **Category VI:** Statutory penalty violations.

Category IV: Statutory penalty violations.	
Allowing a minor to frequent a retail store. RCW 69.50.357(2)	\$1,000 monetary fine
Allowing persons under twenty-one years of age to frequent a retail licensed premise. RCW 69.50.357	\$1,000 monetary fine
Employee under legal age. RCW 69.50.357(2)	\$1,000 monetary fine
Opening or consuming marijuana on a licensed retail premises, or both. RCW 69.50.357(4)	\$1,000 monetary fine
Retail outlet selling unauthorized products. RCW 69.50.357(1) (a)	\$1,000 monetary fine

WAC 314-55-540 **Marijuana license suspensions.** (1) On the effective date of a marijuana license suspension, a board enforcement officer will post a suspension notice in a conspicuous place on or about the licensed premises. This notice

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will state that the license has been suspended by order of the board based on a violation of applicable law or rule.

(2) During the period of marijuana license suspension, the licensee and employees:

(a) Are required to comply with all applicable laws and rules;

(b) May not remove, alter, or cover the posted suspension notice, and may not permit another person to do so;

(c) May not place or permit the placement of any statement on the licensed premises indicating that the premises have been closed for any reason other than as stated in the suspension notice;

(d) May not advertise by any means that the licensed premises is closed for any reason other than as stated in the board's suspension notice.

(3) During the period of marijuana license suspension a marijuana licensee:

(a) May not operate their business.

(b) May not sell, deliver, service, destroy, remove, or receive marijuana.

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[Statutory Authority: RCW 69.50.342 and 69.50.345. WSR 16-11-110, § 314-55-540, filed 5/18/16, effective 6/18/16. Statutory Authority: RCW 69.50.325, 69.50.331, 69.50.342, 69.50.345. WSR 13-21-104, § 314-55-540, filed 10/21/13, effective 11/21/13.]

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