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## Chapter 314-55 WAC

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# MARIJUANA LICENSES, APPLICATION PROCESS, REQUIREMENTS, AND REPORTING

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## **314-55-005**

### **What is the purpose of this chapter?**

The purpose of this chapter is to outline the application process, qualifications and requirements to obtain and maintain a marijuana license and the reporting requirements for a marijuana licensee.

[Statutory Authority: RCW [69.50.325](#), 69.50.331, 69.50.342, 69.50.345. WSR 13-21-104, § 314-55-005, filed 10/21/13, effective 11/21/13.]

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## **314-55-010**

### **Definitions.**

Following are definitions for the purpose of this chapter. Other definitions are in RCW [69.50.101](#).

(1) "Applicant" or "marijuana license applicant" means any person or business entity who is considered by the board as a true party of interest in a marijuana license, as outlined in WAC [314-55-035](#).

(2) "Batch" means a quantity of marijuana-infused product containing material from one or more lots of marijuana.

(3) "Business name" or "trade name" means the name of a licensed business as used by the licensee on signs and advertising.

(4) "Child care center" means an entity that regularly provides child day care and early learning services for a group of children for periods of less than

twenty-four hours licensed by the Washington state department of early learning under chapter [170-295 WAC](#).

(5) "Elementary school" means a school for early education that provides the first four to eight years of basic education and recognized by the Washington state superintendent of public instruction.

(6) "Financier" means any person or entity, other than a banking institution, that has made or will make an investment in the licensed business. A financier can be a person or entity that provides money as a gift, loans money to the applicant/business and expects to be paid back the amount of the loan with or without interest, or expects any percentage of the profits from the business in exchange for a loan or expertise.

(7) "Game arcade" means an entertainment venue featuring primarily video games, simulators, and/or other amusement devices where persons under twenty-one years of age are not restricted.

(8) "Library" means an organized collection of resources made accessible to the public for reference or borrowing supported with money derived from taxation.

(9) "Licensee" or "marijuana licensee" means any person or entity that holds a marijuana license, or any person or entity who is a true party of interest in a marijuana license, as outlined in WAC [314-55-035](#).

(10) "Lot" means either of the following:

(a) The flowers from one or more marijuana plants of the same strain. A single lot of flowers cannot weigh more than five pounds; or

(b) The trim, leaves, or other plant matter from one or more marijuana plants. A single lot of trim, leaves, or other plant matter cannot weigh more than fifteen pounds.

(11) "Marijuana strain" means a pure breed or hybrid variety of Cannabis reflecting similar or identical combinations of properties such as appearance, taste, color, smell, cannabinoid profile, and potency.

(12) "Member" means a principal or governing person of a given entity, including but not limited to: LLC member/manager, president, vice-president, secretary, treasurer, CEO, director, stockholder, partner, general partner, limited partner. This includes all spouses of all principals or governing persons named in this definition and referenced in WAC [314-55-035](#).

(13) "Pesticide" means, but is not limited to: (a) Any substance or mixture of substances intended to prevent, destroy, control, repel, or mitigate any insect, rodent, snail, slug, fungus, weed, and any other form of plant or animal life or virus, except virus on or in a living person or other animal which is normally considered to be a pest; (b) any substance or mixture of substances intended to be used as a plant regulator, defoliant, or desiccant; and (c) any spray adjuvant. Pesticides include substances commonly referred to as herbicides, fungicides, and insecticides.

(14) "Perimeter" means a property line that encloses an area.

(15) "Plant canopy" means the square footage dedicated to live plant production, such as maintaining mother plants, propagating plants from seed to plant tissue, clones, vegetative or flowering area. Plant canopy does not include areas such as space used for the storage of fertilizers, pesticides, or other products, quarantine, office space, etc.

(16) "Playground" means a public outdoor recreation area for children, usually equipped with swings, slides, and other playground equipment, owned and/or managed by a city, county, state, or federal government.

(17) "Public park" means an area of land for the enjoyment of the public, having facilities for rest and/or recreation, such as a baseball diamond or basketball court, owned and/or managed by a city, county, state, federal government, or metropolitan park district. Public park does not include trails.

(18) "Public transit center" means a facility located outside of the public right of way that is owned and managed by a transit agency or city, county,

state, or federal government for the express purpose of staging people and vehicles where several bus or other transit routes converge. They serve as efficient hubs to allow bus riders from various locations to assemble at a central point to take advantage of express trips or other route to route transfers.

(19) "Recreation center or facility" means a supervised center that provides a broad range of activities and events intended primarily for use by persons under twenty-one years of age, owned and/or managed by a charitable nonprofit organization, city, county, state, or federal government.

(20) "Residence" means a person's address where he or she physically resides and maintains his or her abode.

(21) "Secondary school" means a high and/or middle school: A school for students who have completed their primary education, usually attended by children in grades seven to twelve and recognized by the Washington state superintendent of public instruction.

(22) "Unit" means an individually packaged marijuana-infused solid or liquid product meant to be eaten or swallowed, not to exceed ten servings or one hundred milligrams of active tetrahydrocannabinol (THC), or Delta 9.

[Statutory Authority: RCW [69.50.325](#), 69.50.331, 69.50.342, 69.50.345. WSR 13-21-104, § 314-55-010, filed 10/21/13, effective 11/21/13.]

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### **314-55-015**

#### **General information about marijuana licenses.**

(1) A person or entity must meet certain qualifications to receive a marijuana license, which are continuing qualifications in order to maintain the license.

(2) All applicants and employees working in each licensed establishment must be at least twenty-one years of age.

(3) Minors restricted signs must be posted at all marijuana licensed premises.

(4) A marijuana license applicant may not exercise any of the privileges of a marijuana license until the board approves the license application.

(5) The board will not approve any marijuana license for a location where law enforcement access, without notice or cause, is limited. This includes a personal residence.

(6) The board will not approve any marijuana license for a location on federal lands.

(7) The board will not approve any marijuana retailer license for a location within another business. More than one license could be located in the same building if each licensee has their own area separated by full walls with their own entrance. Product may not be commingled.

(8) Every marijuana licensee must post and keep posted its license, or licenses, and any additional correspondence containing conditions and restrictions imposed by the board in a conspicuous place on the premises.

(9) In approving a marijuana license, the board reserves the right to impose special conditions as to the involvement in the operations of the licensed business of any former licensees, their former employees, or any person who does not qualify for a marijuana license.

(10) A marijuana processor or retailer licensed by the board shall conduct the processing, storage, and sale of marijuana-infused products using sanitary practices and ensure facilities are constructed, kept, and maintained in a clean and sanitary condition in accordance with rules and as prescribed by the

Washington state department of agriculture under chapters [16-165](#) and [16-167](#) WAC.

(11) Marijuana licensees may not allow the consumption of marijuana or marijuana-infused products on the licensed premises.

[Statutory Authority: RCW [69.50.325](#), 69.50.331, 69.50.342, 69.50.345. WSR 13-21-104, § 314-55-015, filed 10/21/13, effective 11/21/13.]

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### **314-55-020**

#### **Marijuana license qualifications and application process.**

Each marijuana license application is unique and investigated individually. The board may inquire and request documents regarding all matters in connection with the marijuana license application. The application requirements for a marijuana license include, but are not necessarily limited to, the following:

(1) Per RCW [69.50.331](#), the board shall send a notice to cities and counties, and may send a notice to tribal governments or port authorities regarding the marijuana license application. The local authority has twenty days to respond with a recommendation to approve or an objection to the applicant, location, or both.

(2) The board will verify that the proposed business meets the minimum requirements for the type of marijuana license requested.

(3) The board will conduct an investigation of the applicants' criminal history and administrative violation history, per WAC [314-55-040](#) and [314-55-045](#).

(a) The criminal history background check will consist of completion of a personal/criminal history form provided by the board and submission of fingerprints to a vendor approved by the board. The applicant will be responsible for paying all fees required by the vendor for fingerprinting. These fingerprints will be submitted to the Washington state patrol and the Federal Bureau of Investigation for comparison to their criminal records. The applicant will be responsible for paying all fees required by the Washington state patrol and the Federal Bureau of Investigation.

(b) Financiers will also be subject to criminal history investigations equivalent to that of the license applicant. Financiers will also be responsible for paying all fees required for the criminal history check. Financiers must meet the three month residency requirement.

(4) The board will conduct a financial investigation in order to verify the source of funds used for the acquisition and startup of the business, the applicants' right to the real and personal property, and to verify the true party(ies) of interest.

(5) The board may require a demonstration by the applicant that they are familiar with marijuana laws and rules.

(6) The board may conduct a final inspection of the proposed licensed business, in order to determine if the applicant has complied with all the requirements of the license requested.

(7) Per RCW [69.50.331](#) (1)(b), all applicants applying for a marijuana license must have resided in the state of Washington for at least three months prior to application for a marijuana license. All partnerships, employee cooperatives, associations, nonprofit corporations, corporations and limited liability companies applying for a marijuana license must be formed in Washington. All members must also meet the three month residency requirement. Managers or agents who manage a licensee's place of business



must also meet the three month residency requirement.

(8) Submission of an operating plan that demonstrates the applicant is qualified to hold the marijuana license applied for to the satisfaction of the board. The operating plan shall include the following elements in accordance with the applicable standards in the Washington Administrative Code (WAC).

(9) As part of the application process, each applicant must submit in a format supplied by the board an operating plan detailing the following as it pertains to the license type being sought. This operating plan must also include a floor plan or site plan drawn to scale which illustrates the entire operation being proposed. The operating plan must include the following information:

| Producer                                                                                                                                                                                                                                                                                                                                             | Processor                                                                                                                                                                                                                                               | Retailer                                                                                    |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------|
| Security                                                                                                                                                                                                                                                                                                                                             | Security                                                                                                                                                                                                                                                | Security                                                                                    |
| Traceability                                                                                                                                                                                                                                                                                                                                         | Traceability                                                                                                                                                                                                                                            | Traceability                                                                                |
| Employee qualifications and training                                                                                                                                                                                                                                                                                                                 | Employee qualifications and training                                                                                                                                                                                                                    | Employee qualifications and training                                                        |
| Transportation of product including packaging of product for transportation                                                                                                                                                                                                                                                                          | Transportation of product                                                                                                                                                                                                                               |                                                                                             |
| Destruction of waste product                                                                                                                                                                                                                                                                                                                         | Destruction of waste product                                                                                                                                                                                                                            | Destruction of waste product                                                                |
| Description of growing operation including growing media, size of grow space allocated for plant production, space allocated for any other business activity, description of all equipment used in the production process, and a list of soil amendments, fertilizers, other crop production aids, or pesticides, utilized in the production process | Description of the types of products to be processed at this location together with a complete description of all equipment and solvents, gases, chemicals and other compounds used to create extracts and for processing of marijuana-infused products |                                                                                             |
| Testing procedures and protocols                                                                                                                                                                                                                                                                                                                     | Testing procedures and protocols                                                                                                                                                                                                                        |                                                                                             |
|                                                                                                                                                                                                                                                                                                                                                      | Description of the types of products to be processed at this location together with a complete description of processing of marijuana-infused products                                                                                                  |                                                                                             |
|                                                                                                                                                                                                                                                                                                                                                      | Description of packaging and labeling of products to be processed                                                                                                                                                                                       |                                                                                             |
|                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                                                                                                                                         | What array of products are to be sold and how are the products to be displayed to consumers |

After obtaining a license, the license holder must notify the board in advance of any substantial change in their operating plan. Depending on the degree of change, prior approval may be required before the change is implemented.

(10) Applicants applying for a marijuana license must be current in any tax

obligations to the Washington state department of revenue, as an individual or as part of any entity in which they have an ownership interest. Applicants must sign an attestation that, under penalty of denial or loss of licensure, that representation is correct.

(11) The issuance or approval of a license shall not be construed as a license for, or an approval of, any violations of local rules or ordinances including, but not limited to: Building and fire codes, zoning ordinances, and business licensing requirements.

(12) Upon failure to respond to the board licensing and regulation division's requests for information within the timeline provided, the application may be administratively closed or denial of the application will be sought.

[Statutory Authority: RCW 69.50.325, 69.50.331, 69.50.342, 69.50.345. WSR 13-21-104, § 314-55-020, filed 10/21/13, effective 11/21/13.]

### 314-55-035

#### What persons or entities have to qualify for a marijuana license?

A marijuana license must be issued in the name(s) of the true party(ies) of interest.

(1) **True parties of interest** - For purposes of this title, "true party of interest" means:

| True party of interest                                                                                                                              | Persons to be qualified                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|-----------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Sole proprietorship                                                                                                                                 | Sole proprietor and spouse.                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| General partnership                                                                                                                                 | All partners and spouses.                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| Limited partnership, limited liability partnership, or limited liability limited partnership                                                        | <ul style="list-style-type: none"> <li>All general partners and their spouses.</li> <li>All limited partners and spouses.</li> </ul>                                                                                                                                                                                                                                                                                                                                                              |
| Limited liability company                                                                                                                           | <ul style="list-style-type: none"> <li>All members and their spouses.</li> <li>All managers and their spouses.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                         |
| Privately held corporation                                                                                                                          | <ul style="list-style-type: none"> <li>All corporate officers (or persons with equivalent title) and their spouses.</li> <li>All stockholders and their spouses.</li> </ul>                                                                                                                                                                                                                                                                                                                       |
| Publicly held corporation                                                                                                                           | All corporate officers (or persons with equivalent title) and their spouses.<br>All stockholders and their spouses.                                                                                                                                                                                                                                                                                                                                                                               |
| Multilevel ownership structures                                                                                                                     | All persons and entities that make up the ownership structure (and their spouses).                                                                                                                                                                                                                                                                                                                                                                                                                |
| Any entity or person (inclusive of <b>financiers</b> ) that are expecting a percentage of the profits in exchange for a monetary loan or expertise. | Any entity or person who is in receipt of, or has the right to receive, a percentage of the gross or net profit from the licensed business during any full or partial calendar or fiscal year.<br><br>Any entity or person who exercises control over the licensed business in exchange for money or expertise.<br><br>For the purposes of this chapter: <ul style="list-style-type: none"> <li>"Gross profit" includes the entire gross receipts from all sales and services made in,</li> </ul> |

upon, or from the licensed business.

- "Net profit" means gross sales minus cost of goods sold.

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Nonprofit corporations

All individuals and spouses, and entities having membership rights in accordance with the provisions of the articles of incorporation or the bylaws.

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(2) For purposes of this section, "true party of interest" does not mean:

(a) A person or entity receiving reasonable payment for rent on a fixed basis under a bona fide lease or rental obligation, unless the lessor or property manager exercises control over or participates in the management of the business.

(b) A person who receives a bonus as an employee, if: The employee is on a fixed wage or salary and the bonus is not more than twenty-five percent of the employee's prebonus annual compensation; or the bonus is based on a written incentive/bonus program that is not out of the ordinary for the services rendered.

(c) A person or entity contracting with the applicant(s) to sell the property, unless the contract holder exercises control over or participates in the management of the licensed business.

(3) **Financiers** - The board will conduct a financial investigation as well as a criminal background of financiers.

(4) **Persons who exercise control of business** - The board will conduct an investigation of any person or entity who exercises any control over the applicant's business operations. This may include both a financial investigation and/or a criminal history background.

[Statutory Authority: RCW [69.50.325](#), 69.50.331, 69.50.342, 69.50.345. WSR 13-21-104, § 314-55-035, filed 10/21/13, effective 11/21/13.]

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### 314-55-040

#### **What criminal history might prevent a marijuana license applicant from receiving or keeping a marijuana license?**

(1) When the board processes a criminal history check on an applicant, it uses a point system to determine if the person qualifies for a license. The board will not normally issue a marijuana license or renew a license to an applicant who has accumulated eight or more points as indicated below:

| Description                                                          | Time period during which points will be assigned | Points assigned |
|----------------------------------------------------------------------|--------------------------------------------------|-----------------|
| Felony conviction                                                    | Ten years                                        | 12 points       |
| Gross misdemeanor conviction                                         | Three years                                      | 5 points        |
| Misdemeanor conviction                                               | Three years                                      | 4 points        |
| Currently under federal or state supervision for a felony conviction | n/a                                              | 8 points        |
| Nondisclosure of any of the above                                    | n/a                                              | 4 points each   |

(2) If a case is pending for an alleged offense that would earn eight or more points, the board will hold the application for the disposition of the case. If the disposition is not settled within ninety days, the board will administratively close the application.



(3) The board may not issue a marijuana license to anyone who has accumulated eight or more points as referenced above. This is a discretionary threshold and it is further recommended that the following exceptions to this standard be applied:

**Exception to criminal history point assignment.** This exception to the criminal history point assignment will expire on July 1, 2014:

(a) Prior to initial license application, two federal or state misdemeanor convictions for the possession only of marijuana within the previous three years may not be applicable to the criminal history points accumulated. All criminal history must be reported on the personal/criminal history form.

(i) Regardless of applicability, failure to disclose full criminal history will result in point accumulation;

(ii) State misdemeanor possession convictions accrued after December 6, 2013, exceeding the allowable amounts of marijuana, usable marijuana, and marijuana-infused products described in chapter [69.50](#) RCW shall count toward criminal history point accumulation.

(b) Prior to initial license application, any single state or federal conviction for the growing, possession, or sale of marijuana will be considered for mitigation on an individual basis. Mitigation will be considered based on the quantity of product involved and other circumstances surrounding the conviction.

(4) Once licensed, marijuana licensees must report any criminal convictions to the board within fourteen days.

[Statutory Authority: RCW [69.50.325](#), 69.50.331, 69.50.342, 69.50.345. WSR 13-21-104, § 314-55-040, filed 10/21/13, effective 11/21/13.]

### 314-55-045

#### **What marijuana law or rule violation history might prevent an applicant from receiving a marijuana license?**

The board will conduct an investigation of all applicants' marijuana law or rule administrative violation history. The board will not normally issue a marijuana license to a person, or to an entity with a true party of interest, who has the following violation history; or to any person who has demonstrated a pattern of disregard for laws or rules.

| Violation Type<br>(see WAC <a href="#">314-55-515</a> ) | Period of Consideration                                                                                                          |
|---------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------|
| • Three or more public safety violations;               | • Violations issued within three years of the date the application is received by the board's licensing and regulation division. |
| • Four or more regulatory violations; or                |                                                                                                                                  |
| • One to four, or more license violations.              | • Violations issued within the last three years the true party(ies) of interest were licensed.                                   |

[Statutory Authority: RCW [69.50.325](#), 69.50.331, 69.50.342, 69.50.345. WSR 13-21-104, § 314-55-045, filed 10/21/13, effective 11/21/13.]

### 314-55-050

**Reasons the board may seek denial, suspension, or cancellation of a marijuana license application or license.**

Following is a list of reasons the board may deny, suspend, or cancel a marijuana license application or license. Per RCW [69.50.331](#), the board has broad discretionary authority to approve or deny a marijuana license application for reasons including, but not limited to, the following:

(1) Failure to meet qualifications or requirements for the specific marijuana producer, processor, or retail license, as outlined in this chapter and chapter [69.50](#) RCW.

(2) Failure or refusal to submit information or documentation requested by the board during the evaluation process.

(3) The applicant makes a misrepresentation of fact, or fails to disclose a material fact to the board during the application process or any subsequent investigation after a license has been issued.

(4) Failure to meet the criminal history standards outlined in WAC [314-55-040](#).

(5) Failure to meet the marijuana law or rule violation history standards outlined in WAC [314-55-045](#).

(6) The source of funds identified by the applicant to be used for the acquisition, startup and operation of the business is questionable, unverifiable, or determined by the board to be gained in a manner which is in violation by law.

(7) Denies the board or its authorized representative access to any place where a licensed activity takes place or fails to produce any book, record or document required by law or board rule.

(8) Has been denied or had a marijuana license or medical marijuana license suspended or canceled in another state or local jurisdiction.

(9) Where the city, county, tribal government, or port authority has submitted a substantiated objection per the requirements in RCW [69.50.331](#) (7) and (9).

(10) The board shall not issue a new marijuana license if the proposed licensed business is within one thousand feet of the perimeter of the grounds of any of the following entities. The distance shall be measured as the shortest straight line distance from the property line of the proposed building/business location to the property line of the entities listed below:

(a) Elementary or secondary school;

(b) Playground;

(c) Recreation center or facility;

(d) Child care center;

(e) Public park;

(f) Public transit center;

(g) Library; or

(h) Any game arcade (where admission is not restricted to persons age twenty-one or older).

(11) Has failed to pay taxes or fees required under chapter [69.50](#) RCW or failed to provide production, processing, inventory, sales and transportation reports to documentation required under this chapter.

(12) Failure to submit an attestation that they are current in any tax obligations to the Washington state department of revenue.

(13) Has been denied a liquor license or had a liquor license suspended or revoked in this or any other state.

(14) The operating plan does not demonstrate, to the satisfaction of the board, the applicant is qualified for a license.

(15) Failure to operate in accordance with the board approved operating plan.

(16) The board determines the issuance of the license will not be in the

best interest of the welfare, health, or safety of the people of the state.

[Statutory Authority: RCW [60.50.342](#) [69.50.342] and 69.50.345. WSR 14-06-108, § 314-55-050, filed 3/5/14, effective 4/5/14. Statutory Authority: RCW [69.50.325](#), 69.50.331, 69.50.342, 69.50.345. WSR 13-21-104, § 314-55-050, filed 10/21/13, effective 11/21/13.]

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### **314-55-070**

#### **Process if the board denies a marijuana license application.**

If the board denies a marijuana license application, the applicants may:

- (1) Request an administrative hearing per chapter [34.05](#) RCW, the Administrative Procedure Act.
- (2) Reapply for the license no sooner than one year from the date on the final order of denial.

[Statutory Authority: RCW [69.50.325](#), 69.50.331, 69.50.342, 69.50.345. WSR 13-21-104, § 314-55-070, filed 10/21/13, effective 11/21/13.]

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### **314-55-075**

#### **What is a marijuana producer license and what are the requirements and fees related to a marijuana producer license?**

(1) A marijuana producer license allows the licensee to produce, harvest, trim, dry, cure, and package marijuana into lots for sale at wholesale to marijuana processor licensees and to other marijuana producer licensees. A marijuana producer can also produce and sell marijuana plants, seed, and plant tissue culture to other marijuana producer licensees. Marijuana production must take place within a fully enclosed secure indoor facility or greenhouse with rigid walls, a roof, and doors. Outdoor production may take place in nonrigid greenhouses, other structures, or an expanse of open or cleared ground fully enclosed by a physical barrier. To obscure public view of the premises, outdoor production must be enclosed by a sight obscure wall or fence at least eight feet high. Outdoor producers must meet security requirements described in WAC [314-55-083](#).

(2) The application fee for a marijuana producer license is two hundred fifty dollars. The applicant is also responsible for paying the fees required by the approved vendor for fingerprint evaluation.

(3) The annual fee for issuance and renewal of a marijuana producer license is one thousand dollars. The board will conduct random criminal history checks at the time of renewal that will require the licensee to submit fingerprints for evaluation from the approved vendor. The licensee will be responsible for all fees required for the criminal history checks.

(4) The board will initially limit the opportunity to apply for a marijuana producer license to a thirty-day calendar window beginning with the effective date of this section. In order for a marijuana producer application license to be considered it must be received no later than thirty days after the effective date of the rules adopted by the board. The board may reopen the marijuana producer application window after the initial evaluation of the applications received and at subsequent times when the board deems necessary.

(5) Any entity and/or principals within any entity are limited to no more than

three marijuana producer licenses.

(6) The maximum amount of space for marijuana production is limited to two million square feet. Applicants must designate on their operating plan the size category of the production premises and the amount of actual square footage in their premises that will be designated as plant canopy. There are three categories as follows:

- (a) Tier 1 – Less than two thousand square feet;
- (b) Tier 2 – Two thousand square feet to ten thousand square feet; and
- (c) Tier 3 – Ten thousand square feet to thirty thousand square feet.

(7) The board may reduce a licensee's or applicant's square footage designated to plant canopy for the following reasons:

(a) If the amount of square feet of production of all licensees exceeds the maximum of two million square feet the board will reduce the allowed square footage by the same percentage.

(b) If fifty percent production space used for plant canopy in the licensee's operating plan is not met by the end of the first year of operation the board may reduce the tier of licensure.

(8) If the total amount of square feet of marijuana production exceeds two million square feet, the board reserves the right to reduce all licensee's production by the same percentage or reduce licensee production by one or more tiers by the same percentage.

(9) The maximum allowed amount of marijuana on a producer's premises at any time is as follows:

- (a) Outdoor or greenhouse grows – One and one-quarter of a year's harvest; or
- (b) Indoor grows – Six months of their annual harvest.

[Statutory Authority: RCW [69.50.342](#) and 69.50.345. WSR 14-10-044, § 314-55-075, filed 4/30/14, effective 5/31/14. Statutory Authority: RCW [69.50.325](#), 69.50.331, 69.50.342, 69.50.345. WSR 13-21-104, § 314-55-075, filed 10/21/13, effective 11/21/13.]

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### **314-55-077**

#### **What is a marijuana processor license and what are the requirements and fees related to a marijuana processor license?**

(1) A marijuana processor license allows the licensee to process, package, and label usable marijuana and marijuana-infused products for sale at wholesale to marijuana retailers.

(2) A marijuana processor is allowed to blend tested useable marijuana from multiple lots into a single package for sale to a marijuana retail licensee providing the label requirements for each lot used in the blend are met and the percentage by weight of each lot is also included on the label.

(3) A marijuana processor is limited in the types of food or drinks they may infuse with marijuana to create an infused edible product. To reduce the risk to public health, food defined as potentially hazardous food in WAC [246-215-0115](#)(88) may not be infused with marijuana. These foods are potentially hazardous as they require time-temperature control to keep them safe for human consumption and prevent the growth of pathogenic microorganisms or the production of toxins. The board may designate other food items that may not be infused with marijuana. Any food that requires refrigeration, freezing, or a hot holding unit to keep it safe for human consumption may not be infused with marijuana.

(4) The recipe for any food infused with marijuana to make an edible

product must be kept on file at the marijuana producer's licensed premises and made available for inspection by the WSLCB or their designee.

(5) The application fee for a marijuana processor license is two hundred fifty dollars. The applicant is also responsible for paying the fees required by the approved vendor for fingerprint evaluation.

(6) The annual fee for issuance and renewal of a marijuana processor license is one thousand dollars. The board will conduct random criminal history checks at the time of renewal that will require the licensee to submit fingerprints for evaluation from the approved vendor. The licensee will be responsible for all fees required for the criminal history checks.

(7) The board will initially limit the opportunity to apply for a marijuana processor license to a thirty-day calendar window beginning with the effective date of this section. In order for a marijuana processor application license to be considered it must be received no later than thirty days after the effective date of the rules adopted by the board. The board may reopen the marijuana processor application window after the initial evaluation of the applications that are received and processed, and at subsequent times when the board deems necessary.

(8) Any entity and/or principals within any entity are limited to no more than three marijuana processor licenses.

(9) Marijuana processor licensees are allowed to have a maximum of six months of their average useable marijuana and six months average of their total production on their licensed premises at any time.

(10) A marijuana processor must accept returns of products and sample jars from marijuana retailers for destruction, but is not required to provide refunds to the retailer.

[Statutory Authority: RCW [69.50.342](#) and 69.50.345. WSR 14-10-044, § 314-55-077, filed 4/30/14, effective 5/31/14. Statutory Authority: RCW [69.50.325](#), 69.50.331, 69.50.342, 69.50.345. WSR 13-21-104, § 314-55-077, filed 10/21/13, effective 11/21/13.]

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### **314-55-079**

#### **What is a marijuana retailer license and what are the requirements and fees related to a marijuana retailer license?**

(1) A marijuana retailer license allows the licensee to sell only usable marijuana, marijuana-infused products, and marijuana paraphernalia at retail in retail outlets to persons twenty-one years of age and older.

(2) Marijuana extracts, such as hash, hash oil, shatter, and wax can be infused in products sold in a marijuana retail store, but RCW [69.50.354](#) does not allow the sale of extracts that are not infused in products. A marijuana extract does not meet the definition of a marijuana-infused product per RCW [69.50.101](#).

(3) Internet sales and delivery of product to customers is prohibited.

(4) The application fee for a marijuana retailer's license is two hundred fifty dollars. The applicant is also responsible for paying the fees required by the approved vendor for fingerprint evaluation.

(5) The annual fee for issuance and renewal of a marijuana retailer's license is one thousand dollars. The board will conduct random criminal history checks at the time of renewal that will require the licensee to submit fingerprints for evaluation from the approved vendor. The licensee will be responsible for all fees required for the criminal history checks.

(6) Marijuana retailers may not sell marijuana products below their



acquisition cost.

(7) Marijuana retailer licensees are allowed to have a maximum of four months of their average inventory on their licensed premises at any given time.

(8) A marijuana retailer may transport product to other locations operated by the licensee or to return product to a marijuana processor as outlined in the transportation rules in WAC [314-55-085](#).

(9) A marijuana retailer may not accept a return of product that has been opened.

[Statutory Authority: RCW [69.50.342](#) and 69.50.345. WSR 14-10-044, § 314-55-079, filed 4/30/14, effective 5/31/14. Statutory Authority: RCW [69.50.325](#), 69.50.331, 69.50.342, 69.50.345. WSR 13-21-104, § 314-55-079, filed 10/21/13, effective 11/21/13.]

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### **314-55-081**

#### **Who can apply for a marijuana retailer license?**

(1) Using estimated consumption data and population data obtained from the office of financial management (OFM) population data, the liquor control board will determine the maximum number of marijuana retail locations per county.

The number of retail locations will be determined using a method that distributes the number of locations proportionate to the most populous cities within each county. Locations not assigned to a specific city will be at large. At large locations can be used for unincorporated areas in the county or in cities within the county that have no retail licenses designated. Once the number of locations per city and at large have been identified, the eligible applicants will be selected by lottery in the event the number of applications exceeds the allotted amount for the cities and county. Any lottery conducted by the board will be witnessed by an independent third party.

(2) The number of marijuana retail licenses determined by the board can be found on the liquor control board web site at [www.liq.wa.gov](http://www.liq.wa.gov).

(3) Any entity and/or principals within any entity are limited to no more than three retail marijuana licenses with no multiple location licensee allowed more than thirty-three percent of the allowed licenses in any county or city.

(4) The board will initially limit the opportunity to apply for a marijuana retailer license to a thirty-day calendar window beginning with the effective date of this section. In order for a marijuana retailer license application to be considered it must be received no later than thirty days after the effective date of the rules adopted by the board. The board may reopen the marijuana retailer application window after the initial evaluation of the applications received and at subsequent times when the board deems necessary.

[Statutory Authority: RCW [69.50.325](#), 69.50.331, 69.50.342, 69.50.345. WSR 13-21-104, § 314-55-081, filed 10/21/13, effective 11/21/13.]

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### **314-55-082**

#### **Insurance requirements.**

Marijuana licensees shall provide insurance coverage as set out in this section. The intent of the required insurance is to protect the consumer should there be any claims, suits, actions, costs, damages or expenses arising from



any negligent or intentional act or omission of the marijuana licensees. Marijuana licensees shall furnish evidence in the form of a certificate of insurance satisfactory to the board that insurance, in the following kinds and minimum amounts, has been secured. Failure to provide proof of insurance, as required, may result in license cancellation.

(1) Commercial general liability insurance: The licensee shall at all times carry and maintain commercial general liability insurance and if necessary, commercial umbrella insurance for bodily injury and property damage arising out of licensed activities. This insurance shall cover such claims as may be caused by any act, omission, or negligence of the licensee or its officers, agents, representatives, assigns, or servants. The insurance shall also cover bodily injury, including disease, illness and death, and property damage arising out of the licensee's premises/operations, products, and personal injury. The limits of liability insurance shall not be less than one million dollars.

(2) Insurance carrier rating: The insurance required in subsection (1) of this section shall be issued by an insurance company authorized to do business within the state of Washington. Insurance is to be placed with a carrier that has a rating of A - Class VII or better in the most recently published edition of *Best's Reports*. If an insurer is not admitted, all insurance policies and procedures for issuing the insurance policies must comply with chapters [48.15 RCW](#) and [284-15 WAC](#).

(3) Additional insured. The board shall be named as an additional insured on all general liability, umbrella, and excess insurance policies. All policies shall be primary over any other valid and collectable insurance.

[Statutory Authority: RCW [69.50.325](#), 69.50.331, 69.50.342, 69.50.345. WSR 13-21-104, § 314-55-082, filed 10/21/13, effective 11/21/13.]

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### 314-55-083

#### **What are the security requirements for a marijuana licensee?**

The security requirements for a marijuana licensee are as follows:

(1) **Display of identification badge.** All employees on the licensed premises shall be required to hold and properly display an identification badge issued by the licensed employer at all times while on the licensed premises.

(2) **Alarm systems.** At a minimum, each licensed premises must have a security alarm system on all perimeter entry points and perimeter windows. Motion detectors, pressure switches, duress, panic, and hold-up alarms may also be utilized.

(3) **Surveillance system.** At a minimum, a complete video surveillance with minimum camera resolution of 640x470 pixel and must be internet protocol (IP) compatible and recording system for controlled areas within the licensed premises and entire perimeter fencing and gates enclosing an outdoor grow operation, to ensure control of the area. The requirements include image acquisition, video recording, management and monitoring hardware and support systems. All recorded images must clearly and accurately display the time and date. Time is to be measured in accordance with the U.S. National Institute Standards and Technology standards.

(a) All controlled access areas, security rooms/areas and all points of ingress/egress to limited access areas, all points of ingress/egress to the exterior of the licensed premises, and all point-of-sale (POS) areas must have fixed camera coverage capable of identifying activity occurring within a minimum of twenty feet of all entry and exit points.

(b) Camera placement shall allow for the clear and certain identification of

any individual on the licensed premises.

(c) All entrances and exits to the facility shall be recorded from both indoor and outdoor vantage points, and capable of clearly identifying any activities occurring within the facility or within the grow rooms in low light conditions. The surveillance system storage device must be secured on-site in a lock box, cabinet, closet, or secured in another manner to protect from employee tampering or criminal theft.

(d) All perimeter fencing and gates enclosing an outdoor grow operation must have full video surveillance capable of clearly identifying any activities occurring within twenty feet of the exterior of the perimeter. Any gate or other entry point that is part of the enclosure for an outdoor growing operation must have fixed camera coverage capable of identifying activity occurring within a minimum of twenty feet of the exterior, twenty-four hours a day. A motion detection lighting system may be employed to illuminate the gate area in low light conditions.

(e) Areas where marijuana is grown, cured or manufactured including destroying waste, shall have a camera placement in the room facing the primary entry door, and in adequate fixed positions, at a height which will provide a clear, unobstructed view of the regular activity without a sight blockage from lighting hoods, fixtures, or other equipment, allowing for the clear and certain identification of persons and activities at all times.

(f) All marijuana or marijuana-infused products that are intended to be removed or transported from marijuana producer to marijuana processor and/or marijuana processor to marijuana retailer shall be staged in an area known as the "quarantine" location for a minimum of twenty-four hours. Transport manifest with product information and weights must be affixed to the product. At no time during the quarantine period can the product be handled or moved under any circumstances and is subject to auditing by the liquor control board or designees.

(g) All camera recordings must be continuously recorded twenty-four hours a day. All surveillance recordings must be kept for a minimum of forty-five days on the licensee's recording device. All videos are subject to inspection by any liquor control board employee or law enforcement officer, and must be copied and provided to the board or law enforcement officer upon request.

**(4) Traceability:** To prevent diversion and to promote public safety, marijuana licensees must track marijuana from seed to sale. Licensees must provide the required information on a system specified by the board. All costs related to the reporting requirements are borne by the licensee. Marijuana seedlings, clones, plants, lots of usable marijuana or trim, leaves, and other plant matter, batches of extracts, marijuana-infused products, samples, and marijuana waste must be traceable from production through processing, and finally into the retail environment including being able to identify which lot was used as base material to create each batch of extracts or infused products. The following information is required and must be kept completely up-to-date in a system specified by the board:

(a) Key notification of "events," such as when a plant enters the system (moved from the seedling or clone area to the vegetation production area at a young age);

(b) When plants are to be partially or fully harvested or destroyed;

(c) When a lot or batch of marijuana, marijuana extract, marijuana-infused product, or marijuana waste is to be destroyed;

(d) When usable marijuana or marijuana-infused products are transported;

(e) Any theft of usable marijuana, marijuana seedlings, clones, plants, trim or other plant material, extract, infused product, seed, plant tissue or other item containing marijuana;

(f) There is a seventy-two hour mandatory waiting period after the notification described in this subsection is given before any plant may be

destroyed, a lot or batch of marijuana, marijuana extract, marijuana-infused product, or marijuana waste may be destroyed;

(g) There is a twenty-four hour mandatory waiting period after the notification described in this subsection to allow for inspection before a lot of marijuana is transported from a producer to a processor;

(h) There is a twenty-four hour mandatory waiting period after the notification described in this subsection to allow for inspection before usable marijuana, or marijuana-infused products are transported from a processor to a retailer;

(i) Prior to reaching eight inches in height or width, each marijuana plant must be tagged and tracked individually, which typically should happen when a plant is moved from the seed germination or clone area to the vegetation production area;

(j) A complete inventory of all marijuana, seeds, plant tissue, seedlings, clones, all plants, lots of usable marijuana or trim, leaves, and other plant matter, batches of extract, marijuana-infused products, and marijuana waste;

(k) All point of sale records;

(l) Marijuana excise tax records;

(m) All samples sent to an independent testing lab, any sample of unused portion of a sample returned to a licensee, and the quality assurance test results;

(n) All free samples provided to another licensee for purposes of negotiating a sale;

(o) All samples used for testing for quality by the producer or processor;

(p) Samples containing usable marijuana provided to retailers;

(q) Samples provided to the board or their designee for quality assurance compliance checks; and

(r) Other information specified by the board.

(5) **Start-up inventory for marijuana producers.** Within fifteen days of starting production operations a producer must have all nonflowering marijuana plants physically on the licensed premises. The producer must, within twenty-four hours, record each marijuana plant that enters the facility in the traceability system during this fifteen day time frame. No flowering marijuana plants may be brought into the facility during this fifteen day time frame. After this fifteen day time frame expires, a producer may only start plants from seed or create clones from a marijuana plant located physically on their licensed premises, or purchase marijuana seeds, clones, or plants from another licensed producer.

(6) **Samples.** Free samples of usable marijuana may be provided by producers or processors, or used for product quality testing, as set forth in this section.

(a) Samples are limited to two grams and a producer may not provide any one licensed processor more than four grams of usable marijuana per month free of charge for the purpose of negotiating a sale. The producer must record the amount of each sample and the processor receiving the sample in the traceability system.

(b) Samples are limited to two grams and a processor may not provide any one licensed retailer more than four grams of usable marijuana per month free of charge for the purpose of negotiating a sale. The processor must record the amount of each sample and the retailer receiving the sample in the traceability system.

(c) Samples are limited to two units and a processor may not provide any one licensed retailer more than six ounces of marijuana infused in solid form per month free of charge for the purpose of negotiating a sale. The processor must record the amount of each sample and the retailer receiving the sample in the traceability system.

(d) Samples are limited to two units and a processor may not provide any

one licensed retailer more than twenty-four ounces of marijuana-infused liquid per month free of charge for the purpose of negotiating a sale. The processor must record the amount of each sample and the retailer receiving the sample in the traceability system.

(e) Samples are limited to one-half gram and a processor may not provide any one licensed retailer more than one gram of marijuana-infused extract meant for inhalation per month free of charge for the purpose of negotiating a sale. The processor must record the amount of each sample and the retailer receiving the sample in the traceability system.

(f) Producers may sample one gram of usable marijuana per strain, per month for quality sampling. Sampling for quality may not take place at a licensed premises. Only the producer or employees of the licensee may sample the usable marijuana for quality. The producer must record the amount of each sample and the employee(s) conducting the sampling in the traceability system.

(g) Processors may sample one unit, per batch of a new edible marijuana-infused product to be offered for sale on the market. Sampling for quality may not take place at a licensed premises. Only the processor or employees of the licensee may sample the edible marijuana-infused product. The processor must record the amount of each sample and the employee(s) conducting the sampling in the traceability system.

(h) Processors may sample up to one quarter gram, per batch of a new marijuana-infused extract for inhalation to be offered for sale on the market. Sampling for quality may not take place at a licensed premises. Only the processor or employee(s) of the licensee may sample the marijuana-infused extract for inhalation. The processor must record the amount of each sample and the employee(s) conducting the sampling in the traceability system.

(i) The limits described in subsection (3) of this section do not apply to the usable marijuana in sample jars that may be provided to retailers described in WAC [314-55-105](#)(8).

(j) Retailers may not provide free samples to customers.

[Statutory Authority: RCW [69.50.342](#), 69.50.345. WSR 14-07-116, § 314-55-083, filed 3/19/14, effective 4/19/14. Statutory Authority: RCW [69.50.325](#), 69.50.331, 69.50.342, 69.50.345. WSR 13-21-104, § 314-55-083, filed 10/21/13, effective 11/21/13.]

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## **314-55-084**

### **Production of marijuana.**

Only the following specified soil amendments, fertilizers, other crop production aids, and pesticides may be used in the production of marijuana:

(1) Pesticides registered by WSDA under chapter [15.58](#) RCW as allowed for use in the production, processing, and handling of marijuana. Pesticides must be used consistent with the label requirements.

(2) Commercial fertilizers registered by WSDA under chapter [15.54](#) RCW.

(3) Potting soil and other growing media available commercially in the state of Washington may be used in marijuana production. Producers growing outdoors are not required to meet land eligibility requirements outlined in 7 C.F.R. Part 205.202.

[Statutory Authority: RCW [69.50.342](#) and 69.50.345. WSR 14-10-044, § 314-55-084, filed 4/30/14, effective 5/31/14. Statutory Authority: RCW [69.50.325](#), 69.50.331, 69.50.342, 69.50.345. WSR 13-21-104, § 314-55-084, filed

10/21/13, effective 11/21/13.]

**314-55-085****What are the transportation requirements for a marijuana licensee?**

(1) **Notification of shipment.** Upon transporting any marijuana or marijuana product, a producer, processor, retailer, or certified third-party testing lab shall notify the board of the type and amount and/or weight of marijuana and/or marijuana products being transported, the name of transporter, information about the transporting vehicle, times of departure and expected delivery. This information must be reported in the traceability system described in WAC [314-55-083](#)(4).

(2) **Receipt of shipment.** Upon receiving the shipment, the licensee receiving the product shall report the amount and/or weight of marijuana and/or marijuana products received in the traceability system.

(3) **Transportation manifest.** A complete printed transport manifest on a form provided by the board containing all information required by the board must be kept with the product at all times.

(4) **Records of transportation.** Records of all transportation must be kept for a minimum of three years at the licensee's location.

(5) **Transportation of product.** Marijuana or marijuana products that are being transported must meet the following requirements:

(a) Only the marijuana licensee, an employee of the licensee, or a certified testing lab may transport product;

(b) Marijuana or marijuana products must be in a sealed package or container approved by the board pursuant to WAC [314-55-105](#);

(c) Sealed packages or containers cannot be opened during transport;

(d) Marijuana or marijuana products must be in a locked, safe and secure storage compartment that is secured to the inside body/compartments of the vehicle transporting the marijuana or marijuana products;

(e) Any vehicle transporting marijuana or marijuana products must travel directly from the shipping licensee to the receiving licensee and must not make any unnecessary stops in between except to other facilities receiving product.

[Statutory Authority: RCW [69.50.342](#) and 69.50.345. WSR 14-10-044, § 314-55-085, filed 4/30/14, effective 5/31/14. Statutory Authority: RCW [69.50.325](#), 69.50.331, 69.50.342, 69.50.345. WSR 13-21-104, § 314-55-085, filed 10/21/13, effective 11/21/13.]

**314-55-086****What are the mandatory signs a marijuana licensee must post on a licensed premises?**

(1) **Notices regarding persons under twenty-one years of age** must be conspicuously posted on the premises as follows:

| Type of licensee                                                | Sign must contain the following language:                                | Required location of sign                       |
|-----------------------------------------------------------------|--------------------------------------------------------------------------|-------------------------------------------------|
| Marijuana producer, marijuana processor, and marijuana retailer | "Persons under twenty-one years of age not permitted on these premises." | Conspicuous location at each entry to premises. |

The board will provide the required notices, or licensees may design their own notices as long as they are legible and contain the required language.

(2) **Signs provided by the board prohibiting opening a package of marijuana or marijuana-infused product in public or consumption of marijuana or marijuana-infused products in public, must be posted as follows:**

| Type of premises | Required location of sign                                       |
|------------------|-----------------------------------------------------------------|
| Marijuana retail | Posted in plain view at the main entrance to the establishment. |

(3) **The premises' current and valid master license with appropriate endorsements must be conspicuously posted on the premises and available for inspection by liquor enforcement officers.**

[Statutory Authority: RCW [69.50.325](#), 69.50.331, 69.50.342, 69.50.345. WSR 13-21-104, § 314-55-086, filed 10/21/13, effective 11/21/13.]

### 314-55-087

#### **What are the recordkeeping requirements for marijuana licensees?**

(1) Marijuana licensees are responsible to keep records that clearly reflect all financial transactions and the financial condition of the business. The following records must be kept and maintained on the licensed premises for a three-year period and must be made available for inspection if requested by an employee of the liquor control board:

(a) Purchase invoices and supporting documents, to include the items and/or services purchased, from whom the items were purchased, and the date of purchase;

(b) Bank statements and canceled checks for any accounts relating to the licensed business;

(c) Accounting and tax records related to the licensed business and each true party of interest;

(d) Records of all financial transactions related to the licensed business, including contracts and/or agreements for services performed or received that relate to the licensed business;

(e) All employee records, to include training;

(f) Records of each daily application of pesticides applied to the marijuana plants or growing medium. For each application, the producer shall record the following information on the same day the application is made:

(i) Full name of each employee who applied the pesticide;

(ii) The date the pesticide was applied;

(iii) The name of the pesticide or product name listed on the registration label which was applied;

(iv) The concentration and total amount of pesticide per plant; and

(v) For outdoor production, the concentration of pesticide that was applied to the field. Liquid applications may be recorded as, but are not limited to, amount of product per one hundred gallons of liquid spray, gallons per acre of output volume, ppm, percent product in tank mix (e.g., one percent). For chemigation applications, record "inches of water applied" or other appropriate measure.

(g) Soil amendment, fertilizers, or other crop production aids applied to the growing medium or used in the process of growing marijuana;

(h) Production and processing records, including harvest and curing, weighing, destruction of marijuana, creating batches of marijuana-infused



products and packaging into lots and units;

(i) Records of each batch of extracts or infused marijuana products made, including at a minimum, the lots of usable marijuana or trim, leaves, and other plant matter used (including the total weight of the base product used), any solvents or other compounds utilized, and the product type and the total weight of the end product produced, such as hash oil, shatter, tincture, infused dairy butter, etc.;

(j) Transportation records as described in WAC [314-55-085](#);

(k) Inventory records;

(l) All samples sent to an independent testing lab and the quality assurance test results;

(m) All free samples provided to another licensee for purposes of negotiating a sale;

(n) All samples used for testing for quality by the producer or processor;

(o) Sample jars containing usable marijuana provided to retailers; and

(p) Records of any theft of marijuana seedlings, clones, plants, trim or other plant material, extract, marijuana-infused product, or other item containing marijuana.

(2) If the marijuana licensee keeps records within an automated data processing (ADP) and/or point-of-sale (POS) system, the system must include a method for producing legible records that will provide the same information required of that type of record within this section. The ADP and/or POS system is acceptable if it complies with the following guidelines:

(a) Provides an audit trail so that details (invoices and vouchers) underlying the summary accounting data may be identified and made available upon request.

(b) Provides the opportunity to trace any transaction back to the original source or forward to a final total. If printouts of transactions are not made when they are processed, the system must have the ability to reconstruct these transactions.

(c) Has available a full description of the ADP and/or POS portion of the accounting system. This should show the applications being performed, the procedures employed in each application, and the controls used to ensure accurate and reliable processing.

(3) The provisions contained in subsections (1) and (2) of this section do not eliminate the requirement to maintain source documents, but they do allow the source documents to be maintained in some other location.

[Statutory Authority: RCW [69.50.325](#), 69.50.331, 69.50.342, 69.50.345. WSR 13-21-104, § 314-55-087, filed 10/21/13, effective 11/21/13.]

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### **314-55-089**

#### **What are the tax and reporting requirements for marijuana licensees?**

(1) Marijuana licensees must submit monthly report(s) and payments to the board. The required monthly reports must be:

(a) On a form or electronic system designated by the board;

(b) Filed every month, including months with no activity or payment due;

(c) Submitted, with payment due, to the board on or before the twentieth day of each month, for the previous month. (For example, a report listing transactions for the month of January is due by February 20th.) When the twentieth day of the month falls on a Saturday, Sunday, or a legal holiday, the filing must be postmarked by the U.S. Postal Service no later than the next postal business day;

- (d) Filed separately for each marijuana license held; and
- (e) All records must be maintained and available for review for a three-year period on licensed premises (see WAC [314-55-087](#)).

(2) **Marijuana producer licensees:** On a monthly basis, marijuana producers must maintain records and report purchases from other licensed marijuana producers, current production and inventory on hand, sales by product type, and lost and destroyed product in a manner prescribed by the board.

A marijuana producer licensee must pay to the board a marijuana excise tax of twenty-five percent of the selling price on each wholesale sale to a licensed marijuana processor or producer.

(3) **Marijuana processor licensees:** On a monthly basis, marijuana processors must maintain records and report purchases from licensed marijuana producers, production of marijuana-infused products, sales by product type to marijuana retailers, and lost and/or destroyed product in a manner prescribed by the board.

A marijuana processor licensee must pay to the board a marijuana excise tax of twenty-five percent of the selling price on each wholesale sale of usable marijuana and marijuana-infused product to a licensed marijuana retailer.

(4) **Marijuana retailer's licensees:** On a monthly basis, marijuana retailers must maintain records and report purchases from licensed marijuana processors, sales by product type to consumers, and lost and/or destroyed product in a manner prescribed by the board.

A marijuana retailer licensee must pay to the board a marijuana excise tax of twenty-five percent of the selling price on each retail sale of usable marijuana or marijuana-infused products.

[Statutory Authority: RCW [69.50.342](#) and 69.50.345. WSR 14-10-044, § 314-55-089, filed 4/30/14, effective 5/31/14. Statutory Authority: RCW [69.50.325](#), 69.50.331, 69.50.342, 69.50.345. WSR 13-21-104, § 314-55-089, filed 10/21/13, effective 11/21/13.]

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## 314-55-092

### **What if a marijuana licensee fails to report or pay, or reports or pays late?**

(1) If a marijuana licensee does not submit its monthly reports and payment(s) to the board as required in WAC [314-55-089](#): The licensee is subject to penalties.

**Penalties:** A penalty of two percent per month will be assessed on any payments postmarked after the twentieth day of the month following the month of sale. When the twentieth day of the month falls on a Saturday, Sunday, or a legal holiday, the filing must be postmarked by the U.S. Postal Service no later than the next postal business day. Absent a postmark, the date received at the liquor control board or authorized designee, will be used to assess the penalty of two percent per month on payments received after the twentieth day of the month following the month of sale.

(2) Failure to make a report and/or pay the license taxes and/or penalties in the manner and dates outlined in WAC [314-55-089](#) will be sufficient grounds for the board to suspend or revoke a marijuana license.

[Statutory Authority: RCW [69.50.342](#) and 69.50.345. WSR 14-10-044, § 314-55-092, filed 4/30/14, effective 5/31/14. Statutory Authority: RCW [69.50.325](#), 69.50.331, 69.50.342, 69.50.345. WSR 13-21-104, § 314-55-092, filed

10/21/13, effective 11/21/13.]

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### **314-55-095**

#### **Marijuana servings and transaction limitations.**

Marijuana dosage and transaction limitations are as follows:

- (1) **Single serving.** A single serving of a marijuana-infused product amounts to ten milligrams active tetrahydrocannabinol (THC), or Delta 9.
- (2) **Maximum number of servings.** The maximum number of servings in any one single unit of marijuana-infused product meant to be eaten or swallowed is ten servings or one hundred milligrams of active THC, or Delta 9. A single unit of marijuana-infused extract for inhalation cannot exceed one gram.
- (3) **Transaction limitation.** A single transaction is limited to one ounce of usable marijuana, sixteen ounces of marijuana-infused product in solid form, seven grams of marijuana-infused extract for inhalation, and seventy-two ounces of marijuana-infused product in liquid form for persons twenty-one years of age and older.

[Statutory Authority: RCW [69.50.325](#), 69.50.331, 69.50.342, 69.50.345. WSR 13-21-104, § 314-55-095, filed 10/21/13, effective 11/21/13.]

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### **314-55-097**

#### **Marijuana waste disposal—Liquids and solids.**

- (1) Solid and liquid wastes generated during marijuana production and processing must be stored, managed, and disposed of in accordance with applicable state and local laws and regulations.
- (2) Wastewater generated during marijuana production and processing must be disposed of in compliance with applicable state and local laws and regulations.
- (3) Wastes from the production and processing of marijuana plants must be evaluated against the state's dangerous waste regulations (chapter [173-303](#) WAC) to determine if those wastes designate as dangerous waste. It is the responsibility of each waste generator to properly evaluate their waste to determine if it designates as a dangerous waste. If a generator's waste does designate as a dangerous waste, then that waste(s) is subject to the applicable management standards found in chapter [173-303](#) WAC.
  - (a) Wastes that must be evaluated against the dangerous waste regulations include, but are not limited to, the following:
    - (i) Waste from marijuana flowers, trim and solid plant material used to create an extract (per WAC [315-55-104](#)).
    - (ii) Waste solvents used in the marijuana process (per WAC [315-55-104](#)).
    - (iii) Discarded plant waste, spent solvents and laboratory wastes from any marijuana processing or quality assurance testing.
    - (iv) Marijuana extract that fails to meet quality testing.
  - (b) Marijuana wastes that do not designate as dangerous shall be managed in accordance with subsection (4) of this section.
  - (c) A marijuana plant, usable marijuana, trim and other plant material in itself is not considered dangerous waste as defined under chapter [173-303](#) WAC unless it has been treated or contaminated with a solvent.

(4) Marijuana waste that does not designate as dangerous waste (per subsection (3) of this section) must be rendered unusable following the methods in subsection (5) of this section prior to leaving a licensed producer, processor, retail facility, or laboratory. Disposal of the marijuana waste rendered unusable must follow the methods under subsection (6) of this section.

(a) Wastes that must be rendered unusable prior to disposal include, but are not limited to, the following:

(i) Waste evaluated per subsection (3) of this section and determined to not designate as "Dangerous Waste."

(ii) Marijuana plant waste, including roots, stalks, leaves, and stems that have not been processed with solvent.

(iii) Solid marijuana sample plant waste possessed by third-party laboratories accredited by the board to test for quality assurance that must be disposed of.

(iv) Other wastes as determined by the LCB.

(b) A producer or processor must provide the board a minimum of seventy-two hours notice in the traceability system described in WAC [314-55-083](#)(4) prior to rendering the product unusable and disposing of it.

(5) The allowable method to render marijuana plant waste unusable is by grinding and incorporating the marijuana plant waste with other ground materials so the resulting mixture is at least fifty percent nonmarijuana waste by volume. Other methods to render marijuana waste unusable must be approved by LCB before implementation.

Material used to grind with the marijuana falls into two categories: Compostable waste and noncompostable waste.

(a) Compostable mixed waste: Marijuana waste to be disposed as compost feedstock or in another organic waste method (for example, anaerobic digester) may be mixed with the following types of waste materials:

(i) Food waste;

(ii) Yard waste;

(iii) Vegetable based grease or oils; or

(iv) Other wastes as approved by the LCB.

(b) Noncompostable mixed waste: Marijuana waste to be disposed in a landfill or another disposal method (for example, incinerator) may be mixed with the following types of waste materials:

(i) Paper waste;

(ii) Cardboard waste;

(iii) Plastic waste;

(iv) Soil; or

(v) Other wastes as approved by the LCB.

(6) Marijuana wastes rendered unusable following the method described in subsection (4) of this section can be disposed.

(a) Disposal of the marijuana waste rendered unusable may be delivered to a permitted solid waste facility for final disposition. Examples of acceptable permitted solid waste facilities include:

(i) Compostable mixed waste: Compost, anaerobic digester, or other facility with approval of the jurisdictional health department.

(ii) Noncompostable mixed waste: Landfill, incinerator, or other facility with approval of the jurisdictional health department.

(b) Disposal of the marijuana waste rendered unusable may be managed on-site by the generator in accordance with the standards of chapter [173-350](#) WAC.

(c) A record of the final destination of marijuana waste rendered unusable.

[Statutory Authority: RCW [69.50.325](#), 69.50.331, 69.50.342, 69.50.345. WSR 13-21-104, § 314-55-097, filed 10/21/13, effective 11/21/13.]

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**314-55-099****Standardized scales.**

- (1) Marijuana producer and processor licensees must have at least one scale on the licensed premises for the traceability and inventory of products.
- (2) The scales and other measuring devices are subject to chapter [19.94](#) RCW, and must meet the requirements of the most current version of chapters [16-662](#) and [16-664](#) WAC.
- (3) Licensees must register scales on a business license application with business license services through the department of revenue as required under chapter [19.94](#) RCW.

[Statutory Authority: RCW [69.50.325](#), 69.50.331, 69.50.342, 69.50.345. WSR 13-21-104, § 314-55-099, filed 10/21/13, effective 11/21/13.]

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**314-55-102****Quality assurance testing.**

- (1) A third-party testing lab must be certified by the board or their vendor as meeting the board's accreditation and other requirements prior to conducting required quality assurance tests. Certified labs will receive a certification letter from the board and must conspicuously display this letter in the lab in plain sight of the customers. The board can summarily suspend a lab's certification if a lab is found out of compliance with the requirements of WAC 314-55-102.
- (2) A person with financial interest in a certified third-party testing lab may not have direct or indirect financial interest in a licensed marijuana producer or processor for whom they are conducting required quality assurance tests. A person with direct or indirect financial interest in a certified third-party testing lab must disclose to the board by affidavit any direct or indirect financial interest in a licensed marijuana producer or processor.
- (3) As a condition of certification, each lab must employ a scientific director responsible to ensure the achievement and maintenance of quality standards of practice. The scientific director shall meet the following minimum qualifications:
  - (a) Has earned, from a college or university accredited by a national or regional certifying authority a doctorate in the chemical or biological sciences and a minimum of two years' post-degree laboratory experience; or
  - (b) Has earned a master's degree in the chemical or biological sciences and has a minimum of four years' of post-degree laboratory experience; or
  - (c) Has earned a bachelor's degree in the chemical or biological sciences and has a minimum of six years of post-education laboratory experience.
- (4) As a condition of certification, labs must follow the most current version of the Cannabis Inflorescence and Leaf monograph published by the *American Herbal Pharmacopoeia* or notify the board what alternative scientifically valid testing methodology the lab is following for each quality assurance test. The board may require third-party validation of any monograph or analytical method followed by the lab to ensure the methodology produces scientifically accurate results prior to them using those standards when conducting required quality assurance tests.
- (5) As a condition of certification, the board may require third-party validation and ongoing monitoring of a lab's basic proficiency to correctly

execute the analytical methodologies employed by the lab. The board may contract with a vendor to conduct the validation and ongoing monitoring described in this subsection. The lab shall pay all vendor fees for validation and ongoing monitoring directly to the vendor.

(6) The lab must allow the board or their vendor to conduct physical visits and inspect related laboratory equipment, testing and other related records during normal business hours without advance notice.

(7) Labs must adopt and follow minimum good lab practices (GLPs), and maintain internal standard operating procedures (SOPs), and a quality control/quality assurance (QC/QA) program as specified by the board. The board or authorized third-party organization can conduct audits of a lab's GLPs, SOPs, QC/QA, and inspect all other related records.

(8) The general body of required quality assurance tests for marijuana flowers and infused products may include moisture content, potency analysis, foreign matter inspection, microbiological screening, pesticide and other chemical residue and metals screening, and residual solvents levels.

(9) Table of required quality assurance tests.

| Product                                                                                                                                                                  | Test(s) Required                                                                                                                                          | Sample Size Needed to Complete all Tests |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------|
| Lots of marijuana flowers                                                                                                                                                | 1. Moisture content<br>2. Potency analysis<br>3. Foreign matter inspection<br>4. Microbiological screening                                                | Up to 7 grams                            |
| Infused extract (solvent based) for inhalation made using n-butane, isobutane, propane, heptane, or other solvents or gases approved by the board of at least 99% purity | 1. Potency analysis<br>2. Residual solvent test<br>3. Microbiological screening (only if using flowers and other plant material that failed initial test) | Up to 2 grams                            |
| Infused extract for inhalation made with a CO <sub>2</sub> extractor like hash oil                                                                                       | 1. Potency analysis<br>2. Microbiological screening (only if using flowers and other plant material that failed initial test)                             | Up to 2 grams                            |
| Infused extract for inhalation made with ethanol or other approved food grade solvent                                                                                    | 1. Potency analysis<br>2. Microbiological screening (only if using flowers and other plant material that failed initial test)                             | Up to 2 grams                            |
| Infused extract (nonsolvent) meant for inhalation infused with kief, hashish, or bubble hash                                                                             | 1. Potency analysis<br>2. Microbiological screening                                                                                                       | Up to 2 grams                            |
| Infused edible                                                                                                                                                           | 1. Potency analysis<br>2. Microbiological screening                                                                                                       | 1 unit                                   |
| Infused liquid like a soda or tonic                                                                                                                                      | 1. Potency analysis<br>2. Microbiological screening                                                                                                       | 1 unit                                   |
| Infused topical                                                                                                                                                          | 1. Potency analysis<br>2. Microbiological screening                                                                                                       | 1 unit                                   |

(10) Independent testing labs may request additional sample material in excess of amounts listed in the table in subsection (9) of this section for the purposes of completing required quality assurance tests. Labs certified as



meeting the board's accreditation requirements may retrieve samples from a marijuana licensee's licensed premises and transport the samples directly to the lab and return any unused portion of the samples.

(11) Labs certified as meeting the board's accreditation requirements are not limited in the amount of usable marijuana and marijuana products they may have on their premises at any given time, but they must have records to prove all marijuana and marijuana-infused products only for the testing purposes described in WAC 314-55-102.

(12) At the discretion of the board, a producer or processor must provide an employee of the board or their designee samples in the amount listed in subsection (9) of this section or samples of the growing medium, soil amendments, fertilizers, crop production aids, pesticides, or water for random compliance checks. Samples may be screened for pesticides and chemical residues, unsafe levels of metals, and used for other quality assurance tests deemed necessary by the board. All costs of this testing will be borne by the producer or processor.

(13) No lot of usable flower or batch of marijuana-infused product may be sold or transported until the completion of all required quality assurance testing.

(14) Any usable marijuana or marijuana-infused product that passed the required quality assurance tests may be labeled as "Class A." Only "Class A" usable marijuana or marijuana-infused product will be allowed to be sold.

(15) If a lot of marijuana flowers fail a quality assurance test, any marijuana plant trim, leaf and other usable material from the same plants automatically fails quality assurance testing also. Upon approval of the board, a lot that fails a quality assurance test may be used to make a CO<sub>2</sub> or solvent based extract. After processing, the CO<sub>2</sub> or solvent based extract must still pass all required quality assurance tests in WAC 314-55-102.

(16) At the request of the producer or processor, the board may authorize a retest to validate a failed test result on a case-by-case basis. All costs of the retest will be borne by the producer or the processor.

(17) Labs must report all required quality assurance test results directly into LCB's seed to sale traceability system within twenty-four hours of completion. Labs must also record in the seed to sale traceability system an acknowledgment of the receipt of samples from producers or processors and verify if any unused portion of the sample was destroyed or returned to the licensee.

[Statutory Authority: RCW [69.50.342](#), 69.50.345. WSR 14-07-116, § 314-55-102, filed 3/19/14, effective 4/19/14. Statutory Authority: RCW [69.50.325](#), 69.50.331, 69.50.342, 69.50.345. WSR 13-21-104, § 314-55-102, filed 10/21/13, effective 11/21/13.]

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### **314-55-104**

#### **Marijuana processor license extraction requirements.**

(1) Processors are limited to certain methods, equipment, solvents, gases and mediums when creating marijuana extracts.

(2) Processors may use the hydrocarbons N-butane, isobutane, propane, or heptane or other solvents or gases exhibiting low to minimal potential human health-related toxicity approved by the board. These solvents must be of at least ninety-nine percent purity and a processor must use them in a professional grade closed loop extraction system designed to recover the solvents, work in an environment with proper ventilation, controlling all sources

of ignition where a flammable atmosphere is or may be present.

(3) Processors may use a professional grade closed loop CO<sub>2</sub> gas extraction system where every vessel is rated to a minimum of nine hundred pounds per square inch. The CO<sub>2</sub> must be of at least ninety-nine percent purity.

(4) Professional grade closed loop systems used by processors must be commercially manufactured and built to codes of recognized and generally accepted good engineering practices, such as:

- (a) The American Society of Mechanical Engineers (ASME);
- (b) American National Standards Institute (ANSI);
- (c) Underwriters Laboratories (UL); or
- (d) The American Society for Testing and Materials (ASTM).

(5) Professional closed loop systems, other equipment used, the extraction operation, and facilities must be approved for their use by the local fire code official and meet any required fire, safety, and building code requirements specified in:

- (a) Title 296 WAC;
- (b) National Fire Protection Association (NFPA) standards;
- (c) International Building Code (IBC);
- (d) International Fire Code (IFC); and
- (e) Other applicable standards including following all applicable fire, safety, and building codes in processing and the handling and storage of the solvent or gas.

(6) Processors may use heat, screens, presses, steam distillation, ice water, and other methods without employing solvents or gases to create kief, hashish, bubble hash, or infused dairy butter, or oils or fats derived from natural sources, and other extracts.

(7) Processors may use food grade glycerin, ethanol, and propylene glycol solvents to create extracts.

(8) Processors creating marijuana extracts must develop standard operating procedures, good manufacturing practices, and a training plan prior to producing extracts for the marketplace. Any person using solvents or gases in a closed looped system to create marijuana extracts must be fully trained on how to use the system, have direct access to applicable material safety data sheets and handle and store the solvents and gases safely.

(9) Parts per million for one gram of finished extract cannot exceed 500 parts per million or residual solvent or gas when quality assurance tested per RCW [69.50.348](#).

[Statutory Authority: RCW [69.50.342](#) and 69.50.345. WSR 14-10-044, § 314-55-104, filed 4/30/14, effective 5/31/14. Statutory Authority: RCW [69.50.325](#), 69.50.331, 69.50.342, 69.50.345. WSR 13-21-104, § 314-55-104, filed 10/21/13, effective 11/21/13.]

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### **314-55-105**

#### **Packaging and labeling requirements.**

(1) All usable marijuana and marijuana-infused products must be stored behind a counter or other barrier to ensure a customer does not have direct access to the product.

(2) Any container or packaging containing usable marijuana or marijuana-infused products must protect the product from contamination and must not impart any toxic or deleterious substance to the usable marijuana or marijuana product.

(3) Upon the request of a retail customer, a retailer must disclose the name of the accredited third-party testing lab and results of the required quality assurance test for any usable marijuana or other marijuana-infused product the customer is considering purchasing.

(4) Usable marijuana and marijuana-infused products may not be labeled as organic unless permitted by the United States Department of Agriculture in accordance with the Organic Foods Production Act.

(5) The accredited third-party testing lab and required results of the quality assurance test must be included with each lot and disclosed to the customer buying the lot.

(6) A marijuana producer must make quality assurance test results available to any processor purchasing product. A marijuana producer must label each lot of marijuana with the following information:

- (a) Lot number;
- (b) UBI number of the producer; and
- (c) Weight of the product.

(7) Marijuana-infused products meant to be eaten, swallowed, or inhaled, must be packaged in child resistant packaging in accordance with Title 16 C.F.R. 1700 of the Poison Prevention Packaging Act or use standards specified in this subsection. Marijuana-infused product in solid or liquid form may be packaged in plastic four mil or greater in thickness and be heat sealed with no easy-open tab, dimple, corner, or flap as to make it difficult for a child to open and as a tamperproof measure. Marijuana-infused product in liquid form may also be sealed using a metal crown cork style bottle cap.

(8) A processor may provide a retailer free samples of usable marijuana packaged in a sample jar protected by a plastic or metal mesh screen to allow customers to smell the product before purchase. The sample jar may not contain more than three and one-half grams of usable marijuana. The sample jar and the usable marijuana within may not be sold to a customer and must be returned to the licensed processor who provided the usable marijuana and sample jar.

(9) A producer or processor may not treat or otherwise adulterate usable marijuana with any organic or nonorganic chemical or other compound whatsoever to alter the color, appearance, weight, or smell of the usable marijuana.

(10) Labels must comply with the version of NIST Handbook 130, Uniform Packaging and Labeling Regulation adopted in chapter [16-662](#) WAC.

(11) **All usable marijuana when sold at retail must include accompanying material that contains the following warnings that state:**

- (a) "Warning: This product has intoxicating effects and may be habit forming. Smoking is hazardous to your health";
- (b) "There may be health risks associated with consumption of this product";
- (c) "Should not be used by women that are pregnant or breast feeding";
- (d) "For use only by adults twenty-one and older. Keep out of reach of children";
- (e) "Marijuana can impair concentration, coordination, and judgment. Do not operate a vehicle or machinery under the influence of this drug";
- (f) Statement that discloses all pesticides applied to the marijuana plants and growing medium during production and processing.

(12) **All marijuana-infused products sold at retail must include accompanying material that contains the following warnings that state:**

- (a) "There may be health risks associated with consumption of this product";
- (b) "This product is infused with marijuana or active compounds of marijuana";
- (c) "Should not be used by women that are pregnant or breast feeding";

(d) "For use only by adults twenty-one and older. Keep out of reach of children";

(e) "Products containing marijuana can impair concentration, coordination, and judgment. Do not operate a vehicle or machinery under the influence of this drug";

(f) "Caution: When eaten or swallowed, the intoxicating effects of this drug may be delayed by two or more hours";

(g) Statement that discloses all pesticides applied to the marijuana plants and growing medium during production of the base marijuana used to create the extract added to the infused product; and

(h) Statement that discloses the type of extraction method, including any solvents, gases, or other chemicals or compounds used to produce or that are added to the extract.

**(13) Labels affixed to the container or package containing usable marijuana sold at retail must include:**

(a) The business or trade name and Washington state unified business identifier number of the licensees that produced, processed, and sold the usable marijuana;

(b) Lot number;

(c) Concentration of THC, THCA, CBD, including a total of active cannabinoids (potency profile);

(d) Net weight in ounces and grams or volume as appropriate;

(e) Warnings that state: "This product has intoxicating effects and may be habit forming";

(f) Statement that "This product may be unlawful outside of Washington state";

(g) Date of harvest; and

(h) The board may create a logo that must be placed on all usable marijuana and marijuana-infused products.

**(14) Sample label mock up for a container or package containing usable marijuana sold at retail with required information:**

|                                                                                |            |
|--------------------------------------------------------------------------------|------------|
| UBI: 1234567890010001                                                          | Lot#: 1423 |
| Date of Harvest: 4-14                                                          |            |
| <i>The Best Resins</i>                                                         |            |
| <b><i>Blueberry haze</i></b>                                                   |            |
| <b>16.7 % THC 1.5% CBD</b>                                                     |            |
| <b>Warning – This product has intoxicating effect and may be habit forming</b> |            |
| <b><u>THIS PRODUCT IS UNLAWFUL OUTSIDE WASHINGTON STATE</u></b>                |            |
| Net weight: 7 grams                                                            |            |

**(15) Labels affixed to the container or package containing marijuana-infused products sold at retail must include:**

(a) The business or trade name and Washington state unified business identifier number of the licensees that produced, processed, and sold the usable marijuana;

(b) Lot numbers of all base marijuana used to create the extract;

(c) Batch number;

- (d) Date manufactured;
  - (e) Best by date;
  - (f) Products meant to be eaten or swallowed, recommended serving size and the number of servings contained within the unit, including total milligrams of active tetrahydrocannabinol (THC), or Delta 9;
  - (g) Net weight in ounces and grams, or volume as appropriate;
  - (h) List of all ingredients and any allergens;
  - (i) "Caution: When eaten or swallowed, the intoxicating effects of this drug may be delayed by two or more hours.";
  - (j) If a marijuana extract was added to the product, disclosure of the type of extraction process and any solvent, gas, or other chemical used in the extraction process, or any other compound added to the extract;
  - (k) Warnings that state: "This product has intoxicating effects and may be habit forming";
  - (l) Statement that "This product may be unlawful outside of Washington state";
  - (m) The board may create a logo that must be placed on all usable marijuana and marijuana-infused products.
- (16) **Sample label mock up (front and back) for a container or package containing marijuana-infused products sold at retail with required information:**

(Front of label)



(Back of label)



[Statutory Authority: RCW [69.50.342](#) and 69.50.345. WSR 14-10-044, § 314-55-105, filed 4/30/14, effective 5/31/14. Statutory Authority: RCW [69.50.325](#), 69.50.331, 69.50.342, 69.50.345. WSR 13-21-104, § 314-55-105, filed 10/21/13, effective 11/21/13.]

### **314-55-120**

#### **Ownership changes.**

(1) Licensees must receive prior board approval before making any of the following ownership changes (see WAC [314-55-035](#) for the definition of "true party of interest"):

| Type of change                                                                                                                                                                                               | Type of application                                                        | Fee                                                           |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------|---------------------------------------------------------------|
| Change in the qualifying persons in a: Sole proprietorship, general partnership, limited partnership, or limited liability partnership.                                                                      | New application.                                                           | Application fee and annual fee for current license privilege. |
| Change in the qualifying persons for a publicly or privately held corporation. The board will waive the fee for a corporate change when the proposed change consists solely of dropping an approved officer. | Application for change in corporate officer and/or stockholder.            | \$75                                                          |
| Change in the qualifying persons in a limited liability company.                                                                                                                                             | Application for change of limited liability company member and/or manager. | \$75                                                          |

(2) The board may inquire into all matters in connection with any such sale of stock/units or proposed change in officers/members.

[Statutory Authority: RCW [69.50.325](#), 69.50.331, 69.50.342, 69.50.345. WSR



13-21-104, § 314-55-120, filed 10/21/13, effective 11/21/13.]

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### **314-55-125**

#### **Change of location.**

(1) Changing your marijuana license to a new location requires an application, per the process outlined in WAC [314-55-020](#).

(2) A change of location occurs any time a move by the licensee results in any change to the physical location address.

[Statutory Authority: RCW [69.50.325](#), 69.50.331, 69.50.342, 69.50.345. WSR 13-21-104, § 314-55-125, filed 10/21/13, effective 11/21/13.]

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### **314-55-130**

#### **Change of business name.**

(1) If you wish to change the name of your business, you must apply for a change of trade name with the department of revenue, business license service.

(2) If you wish to change your corporation or limited liability company name, you must apply for a change of name through the secretary of state.

(3) See chapter [434-12](#) WAC for guidelines for trade names.

[Statutory Authority: RCW [69.50.325](#), 69.50.331, 69.50.342, 69.50.345. WSR 13-21-104, § 314-55-130, filed 10/21/13, effective 11/21/13.]

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### **314-55-135**

#### **Discontinue marijuana sales.**

You must notify the board's enforcement and education division in writing if you plan to stop doing business for more than thirty days, or if you plan to permanently discontinue marijuana sales.

[Statutory Authority: RCW [69.50.325](#), 69.50.331, 69.50.342, 69.50.345. WSR 13-21-104, § 314-55-135, filed 10/21/13, effective 11/21/13.]

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### **314-55-140**

#### **Death or incapacity of a marijuana licensee.**

(1) The appointed guardian, executor, administrator, receiver, trustee, or assignee must notify the board's licensing and regulation division in the event of the death, incapacity, receivership, bankruptcy, or assignment for benefit of creditors of any licensee.

(2) The board may give the appointed guardian, executor, administrator, receiver, trustee, or assignee written approval to continue marijuana sales on the licensed business premises for the duration of the existing license and to

renew the license when it expires.

(a) The person must be a resident of the state of Washington.

(b) A criminal background check may be required.

(3) When the matter is resolved by the court, the true party(ies) of interest must apply for a marijuana license for the business.

[Statutory Authority: RCW [69.50.325](#), 69.50.331, 69.50.342, 69.50.345. WSR 13-21-104, § 314-55-140, filed 10/21/13, effective 11/21/13.]

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### **314-55-145**

#### **Are marijuana license fees refundable?**

When a license is suspended or canceled, or the licensed business is discontinued, the unused portion of the marijuana license fee will not be refunded.

[Statutory Authority: RCW [69.50.325](#), 69.50.331, 69.50.342, 69.50.345. WSR 13-21-104, § 314-55-145, filed 10/21/13, effective 11/21/13.]

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### **314-55-147**

#### **What hours may a marijuana retailer licensee conduct sales?**

A marijuana retailer licensee may sell usable marijuana, marijuana-infused products, and marijuana paraphernalia between the hours of 8 a.m. and 12 a.m.

[Statutory Authority: RCW [69.50.325](#), 69.50.331, 69.50.342, 69.50.345. WSR 13-21-104, § 314-55-147, filed 10/21/13, effective 11/21/13.]

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### **314-55-150**

#### **What are the forms of acceptable identification?**

(1) Following are the forms of identification that are acceptable to verify a person's age for the purpose of purchasing marijuana:

(a) Driver's license, instruction permit, or identification card of any state, or province of Canada, from a U.S. territory or the District of Columbia, or "identocard" issued by the Washington state department of licensing per RCW [46.20.117](#);

(b) United States armed forces identification card issued to active duty, reserve, and retired personnel and the personnel's dependents, which may include an embedded, digital signature in lieu of a visible signature;

(c) Passport;

(d) Merchant Marine identification card issued by the United States Coast Guard; and

(e) Enrollment card issued by the governing authority of a federally recognized Indian tribe located in Washington, if the enrollment card incorporates security features comparable to those implemented by the department of licensing for Washington driver's licenses.

(2) The identification document is not acceptable to verify age if expired.

[Statutory Authority: RCW [69.50.325](#), 69.50.331, 69.50.342, 69.50.345. WSR 13-21-104, § 314-55-150, filed 10/21/13, effective 11/21/13.]

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### **314-55-155**

#### **Advertising.**

(1) **Advertising by retail licensees.** The board limits each retail licensed premises to one sign identifying the retail outlet by the licensee's business name or trade name that is affixed or hanging in the windows or on the outside of the premises that is visible to the general public from the public right of way. The size of the sign is limited to sixteen hundred square inches.

(2) **General.** All marijuana advertising and labels of useable marijuana and marijuana-infused products sold in the state of Washington may not contain any statement, or illustration that:

- (a) Is false or misleading;
- (b) Promotes over consumption;
- (c) Represents the use of marijuana has curative or therapeutic effects;
- (d) Depicts a child or other person under legal age to consume marijuana, or includes:
  - (i) Objects, such as toys, characters, or cartoon characters suggesting the presence of a child, or any other depiction designed in any manner to be especially appealing to children or other persons under legal age to consume marijuana; or
  - (ii) Is designed in any manner that would be especially appealing to children or other persons under twenty-one years of age.

(3) No licensed marijuana producer, processor, or retailer shall place or maintain, or cause to be placed or maintained, an advertisement of marijuana, usable marijuana, or a marijuana-infused product in any form or through any medium whatsoever:

- (a) Within one thousand feet of the perimeter of a school grounds, playground, recreation center or facility, child care center, public park, library, or a game arcade admission to which it is not restricted to persons aged twenty-one years or older;
  - (b) On or in a public transit vehicle or public transit shelter; or
  - (c) On or in a publicly owned or operated property.
- (4) Giveaways, coupons, and distribution of branded merchandise are banned.

(5) All advertising must contain the following warnings:

- (a) "This product has intoxicating effects and may be habit forming.";
- (b) "Marijuana can impair concentration, coordination, and judgment. Do not operate a vehicle or machinery under the influence of this drug.";
- (c) "There may be health risks associated with consumption of this product."; and
- (d) "For use only by adults twenty-one and older. Keep out of the reach of children."

[Statutory Authority: RCW [69.50.325](#), 69.50.331, 69.50.342, 69.50.345. WSR 13-21-104, § 314-55-155, filed 10/21/13, effective 11/21/13.]

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### **314-55-160**

#### **Objections to marijuana license applications.**

**(1) How can persons, cities, counties, tribal governments, or port authorities object to the issuance of a marijuana license?** Per RCW [69.50.331](#), the board will notify cities, counties, tribal governments, and port authorities of the following types of marijuana applications. In addition to these entities, any person or group may comment in writing to the board regarding an application.

| Type of application                                                                                                         | Entities the board will/may notify                                                                                                                                                                                          |
|-----------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> <li>Applications for an annual marijuana license at a new location.</li> </ul>           | <ul style="list-style-type: none"> <li>Cities and counties in which the premises is located will be notified.</li> <li>Tribal governments and port authorities in which the premises is located may be notified.</li> </ul> |
| <ul style="list-style-type: none"> <li>Applications to change the class of an existing annual marijuana license.</li> </ul> |                                                                                                                                                                                                                             |
| <ul style="list-style-type: none"> <li>Changes of ownership at existing licensed premises.</li> </ul>                       | <ul style="list-style-type: none"> <li>Cities and counties in which the premises is located will be notified.</li> <li>Tribal governments and port authorities in which the premises is located may be notified.</li> </ul> |

**(2) What will happen if a person or entity objects to a marijuana license application?** When deciding whether to issue or deny a marijuana license application, the board will give substantial weight to input from governmental jurisdictions in which the premises is located based upon chronic illegal activity associated with the applicant's operations of the premises proposed to be licensed or the applicant's operation of any other licensed premises; and other persons or groups. Note: Per RCW [69.50.331](#), the board shall not issue a new marijuana license if any of the following are within one thousand feet of the premises to be licensed: Any elementary or secondary schools, playgrounds, recreation centers or facilities, child care centers, public parks, public transit centers, libraries, game arcade where admission is not restricted to persons twenty-one years of age or older.

(a) If the board contemplates issuing a license over the objection of a governmental jurisdiction in which the premises is located, the government subdivision may request an adjudicative hearing under the provisions of the Administrative Procedure Act, chapter [34.05](#) RCW. If the board, in its discretion, grants the governmental jurisdiction(s) an adjudicative hearing, the applicant will be notified and given the opportunity to present evidence at the hearing.

(b) If the board denies a marijuana license application based on the objection from a governmental jurisdiction, the applicant(s) may either:

(i) Reapply for the license no sooner than one year from the date on the final order of denial; or

(ii) Submit a written request on a form provided by the board for an adjudicative hearing under the provisions of the Administrative Procedure Act, chapter [34.05](#) RCW. The request must be received within twenty days of the date the intent to deny notification was mailed.

[Statutory Authority: RCW [69.50.325](#), 69.50.331, 69.50.342, 69.50.345. WSR 13-21-104, § 314-55-160, filed 10/21/13, effective 11/21/13.]

**314-55-165****Objections to marijuana license renewals.****(1) How can local cities, counties, tribal governments, or port authorities object to the renewal of a marijuana license?**

(a) The board will give governmental jurisdictions approximately ninety days written notice of premises that hold annual marijuana licenses in that jurisdiction that are up for renewal.

(b) Per RCW [69.50.331](#), if a county, city, tribal government, or port authority wants to object to the renewal of a marijuana license in its jurisdiction, it must submit a letter to the board detailing the reason(s) for the objection and a statement of all facts on which the objections are based.

(c) The county, city, tribal government, or port authority may submit a written request to the board for an extension for good cause shown.

(d) This letter must be received by the board at least thirty days before the marijuana license expires. The objection must state specific reasons and facts that show issuance of the marijuana license at the proposed location or to the applicant business how it will detrimentally impact the safety, health, or welfare of the community.

(e) If the objection is received within thirty days of the expiration date or the licensee has already renewed the license, the objection will be considered as a complaint and possible license revocation may be pursued by the enforcement division.

(f) Objections from the public will be referred to the appropriate city, county, tribal government, or port authority for action under subsection (2) of this section. Upon receipt of the objection, the board licensing and regulation division will acknowledge receipt of the objection(s) and forward to the appropriate city, county, tribal government, or port authority. Such jurisdiction may or may not, based on the public objection, request nonrenewal.

**(2) What will happen if a city, county, tribal government, or port authority objects to the renewal of a marijuana license?** The board will give substantial weight to a city, county, tribal government, or port authority objection to a marijuana license renewal of a premises in its jurisdiction based upon chronic illegal activity associated with the licensee's operation of the premises. Based on the jurisdiction's input and any information in the licensing file, the board will decide to either renew the marijuana license, or to pursue nonrenewal.

| <b>(a) Board decides to renew the marijuana license:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | <b>(b) Board decides to pursue nonrenewal of the marijuana license:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>(i) The board will notify the jurisdiction(s) in writing of its intent to renew the license, stating the reason for this decision.</p> <p>(ii) The jurisdiction(s) may contest the renewal and request an adjudicative hearing under the provisions of the Administrative Procedure Act (chapter <a href="#">34.05</a> RCW) by submitting a written request on a form provided by the board. The request must be received within twenty days of the date the intent to renew notification was mailed. If the board, in its discretion, grants the governmental jurisdiction(s) an adjudicative hearing, the applicant will be notified and given the opportunity to present evidence at the hearing.</p> | <p>(i) The board will notify the licensee in writing of its intent to not renew the license, stating the reason for this decision.</p> <p>(ii) The licensee may contest the nonrenewal action and request an adjudicative hearing under the provisions of the Administrative Procedure Act (chapter <a href="#">34.05</a> RCW) by submitting a written request on a form provided by the board. The request must be received within twenty days of the date the intent to deny notification was mailed.</p> <p>(iii) If the licensee requests a hearing, the governmental jurisdiction will be</p> |

notified.

(iv) During the hearing and any subsequent appeal process, the licensee is issued a temporary operating permit for the marijuana license until a final decision is made.

[Statutory Authority: RCW [69.50.325](#), 69.50.331, 69.50.342, 69.50.345. WSR 13-21-104, § 314-55-165, filed 10/21/13, effective 11/21/13.]

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### **314-55-200**

#### **How will the liquor control board identify marijuana, usable marijuana, and marijuana-infused products during checks of licensed businesses?**

Officers shall identify marijuana, usable marijuana, and marijuana-infused products during on-site inspections of licensed producers, processors, and retailers of marijuana by means of product in the traceability system, and/or by observation based on training and experience. Products that are undetermined to be marijuana, usable marijuana, and marijuana-infused products will be verified by the following:

- (1) Officers may take a sample large enough for testing purposes;
- (2) Field test kits may be used if available and appropriate for the type of product being verified; and
- (3) Those samples not able to be tested with a field test kit may be tested through the Washington state toxicology or crime lab.

[Statutory Authority: RCW [69.50.342](#), 69.50.345. WSR 14-07-116, § 314-55-200, filed 3/19/14, effective 4/19/14.]

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### **314-55-210**

#### **Will the liquor control board seize or confiscate marijuana, usable marijuana, and marijuana-infused products?**

The liquor control board may seize or confiscate marijuana, usable marijuana, and marijuana-infused products under the following circumstances:

- (1) During an unannounced or announced administrative search or inspection of a licensed location, or vehicle involved in the transportation of marijuana products, where any product was found to be in excess of product limitations set forth in WAC [314-55-075](#), [314-55-077](#), and [314-55-079](#).
- (2) Any product not properly logged in inventory records or untraceable product required to be in the traceability system.
- (3) Marijuana, usable marijuana, and marijuana-infused product that are altered or not properly packaged and labeled in accordance with WAC [314-55-105](#).
- (4) During a criminal investigation, officers shall follow seizure laws detailed in RCW [69.50.505](#) and any other applicable criminal codes.

[Statutory Authority: RCW [69.50.342](#), 69.50.345. WSR 14-07-116, § 314-55-210, filed 3/19/14, effective 4/19/14.]



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**314-55-220****What is the process once the board summarily orders marijuana, usable marijuana, or marijuana-infused products of a marijuana licensee to be destroyed?**

(1) The board may issue an order to summarily destroy marijuana, usable marijuana, or marijuana-infused products after the board's enforcement division has completed a preliminary staff investigation of the violation and upon a determination that immediate destruction of marijuana, usable marijuana, or marijuana-infused products is necessary for the protection or preservation of the public health, safety, or welfare.

(2) Destruction of any marijuana, usable marijuana, or marijuana-infused products under this provision shall take effect immediately upon personal service on the licensee or employee thereof of the summary destruction order unless otherwise provided in the order.

(3) When a license has been issued a summary destruction order by the board, an adjudicative proceeding for the associated violation 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, then a hearing shall be held within ninety days of the effective date of the summary destruction ordered by the board.

[Statutory Authority: RCW [69.50.342](#), 69.50.345. WSR 14-07-116, § 314-55-220, filed 3/19/14, effective 4/19/14.]

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**314-55-230****What are the procedures the liquor control board will use to destroy or donate marijuana, usable marijuana, and marijuana-infused products to law enforcement?**

(1) The liquor control board may require a marijuana licensee to destroy marijuana, usable marijuana, and marijuana-infused products found in a licensed establishment to be in excess of product limits set forth in WAC [314-55-075](#), [314-55-077](#), and [314-55-079](#).

(2) Destruction of seized marijuana, usable marijuana, marijuana-infused products, or confiscated marijuana after case adjudication, will conform with liquor control board evidence policies, to include the option of donating marijuana, usable marijuana, and marijuana-infused products, set for destruction, to local and state law enforcement agencies for training purposes only.

(3) Marijuana, usable marijuana, and marijuana-infused products set for destruction shall not reenter the traceability system or market place.

[Statutory Authority: RCW [69.50.342](#), 69.50.345. WSR 14-07-116, § 315-55-230 (codified as WAC 314-55-230), filed 3/19/14, effective 4/19/14.]

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**314-55-505****What are the procedures for notifying a licensee of an alleged violation of a liquor control board statute or regulation?**

(1) When an enforcement officer believes that a licensee has violated a board statute or regulation, the officer may prepare an administrative violation notice (AVN) and mail or deliver the notice to the licensee, licensee's agent, or employee.

(2) The AVN notice will include:

- (a) A complete narrative description of the violation(s) the officer is charging;
  - (b) The date(s) of the violation(s);
  - (c) A copy of the law(s) and/or regulation(s) allegedly violated;
  - (d) An outline of the licensee's options as outlined in WAC [314-55-510](#); and
  - (e) The recommended penalty.
- (i) If the recommended penalty is the standard penalty, see WAC [314-55-520](#) through [314-55-535](#) for licensees.
- (ii) For cases in which there are aggravating or mitigating circumstances, the penalty may be adjusted from the standard penalty.

[Statutory 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.]

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### **314-55-506**

#### **What is the process once the board summarily suspends a marijuana license?**

(1) The board may summarily suspend any license after the board's enforcement division has completed a preliminary staff investigation of the violation and 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 provision shall take effect immediately upon personal service on the licensee or employee thereof of the summary suspension order unless otherwise provided in the order.

(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 shall be held within ninety days of the effective date of the summary suspension ordered by the board.

[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.]

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### **314-55-507**

#### **How may a licensee challenge the summary suspension of his or her marijuana license?**

(1) Upon summary suspension of a license by the board pursuant to WAC [314-55-506](#), an affected licensee may petition the board for a stay of suspension pursuant to RCW [34.05.467](#) and 34.05.550(1). A petition for a stay of suspension must be received by the board within fifteen days of service of the summary suspension order. The petition for stay shall state the basis on which the stay is sought.

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

(3) Any hearing conducted pursuant to subsection (2) of this section shall be a brief adjudicative proceeding under RCW [34.05.485](#). The agency record for the hearing shall consist of the documentary information upon which the summary suspension was based. The licensee or permit holder shall have the burden of demonstrating 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, elimination of income from licensed activities shall not be 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 shall be effective immediately upon service unless another date is specified in the order.

[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.]

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### **314-55-508**

#### **Review of orders on stay.**

(1) The licensee, or agency, may petition the board for review of an initial order on stay. Any petition for review must be in writing and received by the board within ten days of service of the initial order. If neither party has requested review within ten days of service, the initial order shall be deemed the final order of the board for purposes of RCW [34.05.467](#).

(2) If the board receives a timely petition for review, the board shall consider the petition within fifteen days of service of the petition for review. Consideration on review shall be limited to the record of the hearing on stay.

(3) The order of the board on the petition for review shall be effective upon personal service unless another date is specified in the order and is final pursuant to RCW [34.05.467](#). Final disposition of the petition for stay shall not affect subsequent administrative proceedings for suspension or revocation of a license.

[Statutory Authority: RCW [69.50.325](#), 69.50.331, 69.50.342, 69.50.345. WSR 13-21-104, § 314-55-508, filed 10/21/13, effective 11/21/13.]

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### **314-55-510**

#### **What options does a licensee have once he/she receives a notice of an administrative violation?**

(1) **A licensee has twenty days from receipt of the notice to:**

- (a) Accept the recommended penalty; or

(b) Request a settlement conference in writing; or

(c) Request an administrative hearing in writing.

A response must be submitted on a form provided by the agency.

**(2) What happens if a licensee does not respond to the administrative violation notice within twenty days?**

(a) If a licensee does not respond to the administrative violation notice within twenty days, the recommended suspension penalty will go into effect.

(b) If the penalty does not include a suspension, the licensee must pay a twenty-five percent late fee in addition to the recommended penalty. The recommended penalty plus the late fee must be received within thirty days of the violation notice issue date.

**(3) What are the procedures when a licensee requests a settlement conference?**

(a) If the licensee requests a settlement conference, the hearing examiner or designee will contact the licensee to discuss the violation.

(b) Both the licensee and the hearing examiner or designee will discuss the circumstances surrounding the charge, the recommended penalty, and any aggravating or mitigating factors.

(c) If a compromise is reached, the hearing examiner or designee will prepare a compromise settlement agreement. The hearing examiner or designee will forward the compromise settlement agreement, authorized by both parties, to the board, or designee, for approval.

(i) If the board, or designee, approves the compromise, a copy of the signed settlement agreement will be sent to the licensee and will become part of the licensing history.

(ii) If the board, or designee, does not approve the compromise, the licensee will be notified of the decision. The licensee will be given the option to renegotiate with the hearings examiner or designee, of accepting the originally recommended penalty, or of requesting an administrative hearing on the charges.

(d) If the licensee and the hearing examiner or designee cannot reach agreement on a settlement proposal, the licensee may accept the originally recommended penalty, or the hearing examiner or designee will forward a request for an administrative hearing to the board's hearings coordinator.

[Statutory Authority: RCW [69.50.325](#), 69.50.331, 69.50.342, 69.50.345. WSR 13-21-104, § 314-55-510, filed 10/21/13, effective 11/21/13.]

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### **314-55-515**

#### **What are the penalties if a marijuana license holder violates a marijuana law or rule?**

(1) The purpose of WAC 314-55-515 through [314-55-540](#) is to outline what penalty a marijuana licensee can expect if a licensee or employee violates a liquor control board law or rule. (WAC rules listed in the categories provide reference areas, and may not be all inclusive.)

(2) Penalties for violations by marijuana licensees or employees are broken down into four categories:

(a) Group One—Public safety violations, WAC [314-55-520](#).

(b) Group Two—Regulatory violations, WAC [314-55-525](#).

(c) Group Three—License violations, WAC [314-55-530](#).

(d) Group Four—Producer violations involving the manufacture, supply, and/or distribution of marijuana by nonretail licensees and prohibited practices between nonretail licensees and retail licensees, WAC [314-55-535](#).

(3) For the purposes of chapter [314-55](#) WAC, a three-year window for violations is measured from the date one violation occurred to the date a subsequent violation occurred.

(4) The following schedules are meant to serve as guidelines. Based on mitigating or aggravating circumstances, the liquor control board may impose a different penalty than the standard penalties outlined in these schedules. Based on mitigating circumstances, the board may offer a monetary option in lieu of suspension, or alternate penalty, during a settlement conference as outlined in WAC [314-55-510](#)(3).

| (a) Mitigating circumstances                                                                                                                                                                                                                                        | (b) Aggravating circumstances                                                                                                                                                                                                                                                                  |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Mitigating circumstances that may result in fewer days of suspension and/or a lower monetary option may include demonstrated business policies and/or practices that reduce the risk of future violations.                                                          | Aggravating circumstances that may result in increased days of suspension, and/or increased monetary option, and/or cancellation of marijuana license may include business operations or behaviors that create an increased risk for a violation and/or intentional commission of a violation. |
| Examples include:                                                                                                                                                                                                                                                   | Examples include:                                                                                                                                                                                                                                                                              |
| <ul style="list-style-type: none"> <li>• Having a signed acknowledgment of the business' responsible handling and sales policies on file for each employee;</li> <li>• Having an employee training plan that includes annual training on marijuana laws.</li> </ul> | <ul style="list-style-type: none"> <li>• Failing to call 911 for local law enforcement or medical assistance when requested by a customer, a liquor control board officer, or when people have sustained injuries.</li> </ul>                                                                  |

[Statutory Authority: RCW [69.50.325](#), 69.50.331, 69.50.342, 69.50.345. WSR 13-21-104, § 314-55-515, filed 10/21/13, effective 11/21/13.]

### 314-55-520

#### Group 1 violations against public safety.

Group 1 violations are considered the most serious because they present a direct threat to public safety. Based on chapter [69.50](#) RCW, some violations have only a monetary option. Some violations beyond the first violation do not have a monetary option upon issuance of a violation notice. The liquor control board may offer a monetary option in lieu of suspension days based on mitigating circumstances as outlined in WAC [314-55-515](#)(4).

| Violation Type                                            | 1st Violation                                | 2nd Violation in a three-year window | 3rd Violation in a three-year window | 4th Violation in a three-year window |
|-----------------------------------------------------------|----------------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| <b>Violations involving minors:</b>                       | 10-day suspension or \$2,500 monetary option | 30-day suspension                    | Cancellation of license              |                                      |
| <b>Sale or service to minor:</b> Sale of marijuana and/or | 10-day suspension or \$2,500 monetary option | 30-day suspension                    | Cancellation of license              |                                      |

paraphernalia to  
a person under  
twenty-one years  
of age.

WAC [314-55-079](#)

|                                                                                         |                          |                          |                          |
|-----------------------------------------------------------------------------------------|--------------------------|--------------------------|--------------------------|
| <b>Allowing a minor to frequent a restricted area.</b><br>RCW <a href="#">69.50.357</a> | \$1,000<br>monetary fine | \$1,000<br>monetary fine | \$1,000<br>monetary fine |
|-----------------------------------------------------------------------------------------|--------------------------|--------------------------|--------------------------|

|                                                                   |                          |                          |                          |                          |
|-------------------------------------------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| <b>Employee under legal age.</b><br>RCW <a href="#">69.50.357</a> | \$1,000<br>monetary fine | \$1,000<br>monetary fine | \$1,000<br>monetary fine | \$1,000<br>monetary fine |
|-------------------------------------------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|

|                                                                                                                                 |                          |                          |                          |                          |
|---------------------------------------------------------------------------------------------------------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| <b>Licensee and/or employee open and/or consuming marijuana on a retail licensed premises.</b><br>RCW <a href="#">69.50.357</a> | \$1,000<br>monetary fine | \$1,000<br>monetary fine | \$1,000<br>monetary fine | \$1,000<br>monetary fine |
|---------------------------------------------------------------------------------------------------------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|

|                                                                                             |                                              |                   |                         |
|---------------------------------------------------------------------------------------------|----------------------------------------------|-------------------|-------------------------|
| <b>Conduct violations: Criminal conduct:</b><br>Permitting or engaging in criminal conduct. | 10-day suspension or \$2,500 monetary option | 30-day suspension | Cancellation of license |
|---------------------------------------------------------------------------------------------|----------------------------------------------|-------------------|-------------------------|

|                                                                                                                                                                                                               |                                              |                   |                         |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------|-------------------|-------------------------|
| Using unauthorized pesticides, soil amendments, fertilizers, other crop production aids.<br>WAC <a href="#">314-55-020</a> (8)<br>WAC <a href="#">314-55-083</a> (4)<br>WAC <a href="#">314-55-087</a> (1)(f) | 10-day suspension or \$2,500 monetary option | 30-day suspension | Cancellation of license |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------|-------------------|-------------------------|

|                                                                                                                          |                                              |                   |                         |
|--------------------------------------------------------------------------------------------------------------------------|----------------------------------------------|-------------------|-------------------------|
| Adulterate usable marijuana with organic or nonorganic chemical or other compound.<br>WAC <a href="#">314-55-105</a> (8) | 10-day suspension or \$2,500 monetary option | 30-day suspension | Cancellation of license |
|--------------------------------------------------------------------------------------------------------------------------|----------------------------------------------|-------------------|-------------------------|

|                    |                      |                   |                         |
|--------------------|----------------------|-------------------|-------------------------|
| Using unauthorized | 10-day suspension or | 30-day suspension | Cancellation of license |
|--------------------|----------------------|-------------------|-------------------------|



solvents or gases \$2,500  
in processing. monetary option

WAC [314-55-104](#)

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|                                                                                                                           |                                              |                   |                         |
|---------------------------------------------------------------------------------------------------------------------------|----------------------------------------------|-------------------|-------------------------|
| <b>Refusal</b> to allow an inspection and/or obstructing a law enforcement officer from performing their official duties. | 10-day suspension or \$2,500 monetary option | 30-day suspension | Cancellation of license |
|---------------------------------------------------------------------------------------------------------------------------|----------------------------------------------|-------------------|-------------------------|

WAC [314-55-050](#)

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|                                                         |                         |
|---------------------------------------------------------|-------------------------|
| <b>Marijuana purchased from an unauthorized source.</b> | Cancellation of license |
|---------------------------------------------------------|-------------------------|

|                                                  |                         |
|--------------------------------------------------|-------------------------|
| <b>Marijuana sold to an unauthorized source.</b> | Cancellation of license |
|--------------------------------------------------|-------------------------|

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|----------------------------------------------------|-------------------------|
| <b>Sales in excess of transaction limitations.</b> | Cancellation of license |
|----------------------------------------------------|-------------------------|

WAC [314-55-095\(3\)](#)

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[Statutory Authority: RCW [69.50.325](#), 69.50.331, 69.50.342, 69.50.345. WSR 13-21-104, § 314-55-520, filed 10/21/13, effective 11/21/13.]

### 314-55-525

#### Group 2 regulatory violations.

Group 2 violations are violations involving general regulation and administration of retail or nonretail licenses.

| Violation Type                                                                               | 1st Violation                             | 2nd Violation in a three-year window         | 3rd Violation in a three-year window | 4th Violation in a three-year window |
|----------------------------------------------------------------------------------------------|-------------------------------------------|----------------------------------------------|--------------------------------------|--------------------------------------|
| <b>Hours of service:</b> Sales of marijuana between 12:00 a.m. and 8:00 a.m.                 | 5-day suspension or \$500 monetary option | 10-day suspension or \$2,500 monetary option | 30-day suspension                    | Cancellation of license              |
| <b>Advertising:</b> Violations (statements/illustrations). WAC <a href="#">314-55-155(2)</a> | 5-day suspension or \$500 monetary option | 10-day suspension or \$2,500 monetary option | 30-day suspension                    | Cancellation of license              |

|                                                                                                                                                                                                                                                                   |                                                       |                                                          |                             |                            |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------|----------------------------------------------------------|-----------------------------|----------------------------|
| <b>Advertising violations –</b><br>Sign exceeding 1600 square inches; within 1000 feet of prohibited areas; on or in public transit vehicles, shelters, or publicly owned or operated property.<br>RCW <a href="#">69.50.357</a><br>RCW <a href="#">69.50.369</a> | \$1,000<br>monetary<br>fine                           | \$1,000<br>monetary<br>fine                              | \$1,000<br>monetary<br>fine | \$1,000<br>monetary fine   |
| <b>Packaging and/or labeling violations (processor/retailer).</b><br>WAC <a href="#">314-55-105</a>                                                                                                                                                               | 5-day<br>suspension<br>or \$500<br>monetary<br>option | 10-day<br>suspension<br>or \$2,500<br>monetary<br>option | 30-day<br>suspension        | Cancellation<br>of license |
| <b>Licensee/employee failing to display required security badge.</b><br>WAC <a href="#">314-55-083</a> (1)                                                                                                                                                        | 5-day<br>suspension<br>or \$500<br>monetary<br>option | 10-day<br>suspension<br>or \$2,500<br>monetary<br>option | 30-day<br>suspension        | Cancellation<br>of license |
| <b>Failure to maintain required security alarm and surveillance systems.</b><br>WAC <a href="#">314-55-083</a> (2) and (3)                                                                                                                                        | 5-day<br>suspension<br>or \$500<br>monetary<br>option | 10-day<br>suspension<br>or \$2,500<br>monetary<br>option | 30-day<br>suspension        | Cancellation<br>of license |
| <b>Records:</b> Improper recordkeeping.<br>WAC <a href="#">314-55-087</a><br>WAC <a href="#">314-55-089</a> (3), (4), and (5)                                                                                                                                     | 5-day<br>suspension<br>or \$500<br>monetary<br>option | 10-day<br>suspension<br>or \$2,500<br>monetary<br>option | 30-day<br>suspension        | Cancellation<br>of license |
| <b>Failure to submit monthly tax reports and/or payments.</b><br>WAC <a href="#">314-55-089</a><br>WAC <a href="#">314-55-092</a>                                                                                                                                 | 5-day<br>suspension<br>or \$500<br>monetary<br>option | 10-day<br>suspension<br>or \$2,500<br>monetary<br>option | 30-day<br>suspension        | Cancellation<br>of license |
| <b>Signs:</b> Failure to post required signs.<br>WAC <a href="#">314-55-086</a>                                                                                                                                                                                   | 5-day<br>suspension<br>or \$500<br>monetary<br>option | 10-day<br>suspension<br>or \$2,500<br>monetary<br>option | 30-day<br>suspension        | Cancellation<br>of license |
| <b>Failure to utilize and/or maintain traceability (processor or retail licensee).</b><br>WAC <a href="#">314-55-083</a> (4)                                                                                                                                      | 5-day<br>suspension<br>or \$500<br>monetary<br>option | 10-day<br>suspension<br>or \$2,500<br>monetary<br>option | 30-day<br>suspension        | Cancellation<br>of license |
| <b>Violation of transportation requirements.</b><br>WAC <a href="#">314-55-085</a>                                                                                                                                                                                | 5-day<br>suspension<br>or \$500<br>monetary<br>option | 10-day<br>suspension<br>or \$2,500<br>monetary<br>option | 30-day<br>suspension        | Cancellation<br>of license |
| <b>Exceeding maximum</b>                                                                                                                                                                                                                                          | 5-day                                                 | 10-day                                                   | 30-day                      | Cancellation               |

|                                                                                                                                            |                                           |                                              |                       |                         |
|--------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------|----------------------------------------------|-----------------------|-------------------------|
| <b>serving requirements for marijuana-infused products.</b><br>WAC <a href="#">314-55-095(2)</a>                                           | suspension or \$500 monetary option       | suspension or \$2,500 monetary option        | suspension            | of license              |
| <b>Failure for a processor to meet marijuana waste disposal requirements.</b><br>WAC <a href="#">314-55-097</a>                            | 5-day suspension or \$500 monetary option | 10-day suspension or \$2,500 monetary option | 30-day suspension     | Cancellation of license |
| <b>Failure to maintain standardized scale requirements (processor/retailer).</b><br>WAC <a href="#">314-55-099</a>                         | 5-day suspension or \$500 monetary option | 10-day suspension or \$2,500 monetary option | 30-day suspension     | Cancellation of license |
| <b>Marijuana processor extraction requirements.</b><br>WAC <a href="#">314-55-104</a>                                                      | 5-day suspension or \$500 monetary option | 10-day suspension or \$2,500 monetary option | 30-day suspension     | Cancellation of license |
| <b>Retail outlet selling unauthorized products.</b><br>RCW <a href="#">69.50.357</a>                                                       | \$1,000 monetary fine                     | \$1,000 monetary fine                        | \$1,000 monetary fine | \$1,000 monetary fine   |
| <b>Retailer displaying products in a manner visible to the general public from a public right of way.</b><br>RCW <a href="#">69.50.357</a> | \$1,000 monetary fine                     | \$1,000 monetary fine                        | \$1,000 monetary fine | \$1,000 monetary fine   |

[Statutory Authority: RCW [69.50.325](#), 69.50.331, 69.50.342, 69.50.345. WSR 13-21-104, § 314-55-525, filed 10/21/13, effective 11/21/13.]

### 314-55-530

#### Group 3 license violations.

Group 3 violations are violations involving licensing requirements, license classification, and special restrictions.

| Violation Type                                                                  | 1st Violation           | 2nd Violation in a three-year window | 3rd Violation in a three-year window | 4th Violation in a three-year window |
|---------------------------------------------------------------------------------|-------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| <b>True party of interest violation.</b><br>WAC <a href="#">314-55-035</a>      | Cancellation of license |                                      |                                      |                                      |
| <b>Failure to furnish required documents.</b><br>WAC <a href="#">314-55-050</a> | Cancellation of license |                                      |                                      |                                      |
| <b>Misrepresentation of fact.</b><br>WAC <a href="#">314-55-050</a>             | Cancellation of license |                                      |                                      |                                      |

|                                                                                                            |                                           |                                              |                   |                         |
|------------------------------------------------------------------------------------------------------------|-------------------------------------------|----------------------------------------------|-------------------|-------------------------|
| <b>Operating plan:</b><br>Violations of a board-approved operating plan.<br>WAC <a href="#">314-55-020</a> | 5-day suspension or \$500 monetary option | 10-day suspension or \$1,500 monetary option | 30-day suspension | Cancellation of license |
| <b>Failing to gain board approval for changes in existing ownership.</b><br>WAC <a href="#">314-55-120</a> | 30-day suspension                         | Cancellation of license                      |                   |                         |
| <b>Failure to maintain required insurance.</b><br>WAC <a href="#">314-55-080</a>                           | 30-day suspension                         | Cancellation of license                      |                   |                         |

[Statutory Authority: RCW [69.50.325](#), 69.50.331, 69.50.342, 69.50.345. WSR 13-21-104, § 314-55-530, filed 10/21/13, effective 11/21/13.]

### 314-55-535

#### Group 4 marijuana producer violations.

Group 4 violations are violations involving the manufacture, supply, and/or distribution of marijuana by marijuana producer licensees and prohibited practices between a marijuana producer licensee and a marijuana retailer licensee.

| Violation Type                                                                                | 1st Violation         | 2nd Violation in a three-year window                               | 3rd Violation in a three-year window                                | 4th Violation in a three-year window |
|-----------------------------------------------------------------------------------------------|-----------------------|--------------------------------------------------------------------|---------------------------------------------------------------------|--------------------------------------|
| <b>Unauthorized sale to a retail licensee.</b><br>WAC <a href="#">314-55-075</a>              | \$2,500 monetary fine | \$5,000 monetary fine and destruction of 25% of harvestable plants | \$15,000 monetary fine and destruction of 50% of harvestable plants | Cancellation of license              |
| <b>Failure to utilize and/or maintain traceability.</b><br>WAC <a href="#">314-55-083</a> (4) | \$2,500 monetary fine | \$5,000 monetary fine and destruction of 25% of harvestable plants | \$15,000 monetary fine and destruction of 50% of harvestable plants | Cancellation of license              |
| <b>Packaging and/or labeling violations (producer).</b><br>WAC <a href="#">314-55-105</a>     | \$2,500 monetary fine | \$5,000 monetary fine and destruction of 25% of harvestable        | \$15,000 monetary fine and destruction of 50% of harvestable        | Cancellation of license              |

|                                                                                                                                                              |                             | plants                                                                               | plants                                                                                |                            |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|--------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|----------------------------|
| <b>Unauthorized product/unapproved storage or delivery.</b>                                                                                                  | \$2,500<br>monetary<br>fine | \$5,000<br>monetary fine<br>and<br>destruction of<br>25% of<br>harvestable<br>plants | \$15,000<br>monetary fine<br>and<br>destruction of<br>50% of<br>harvestable<br>plants | Cancellation of<br>license |
| <b>Failure for a producer to meet marijuana waste disposal requirements.</b><br>WAC <a href="#">314-55-097</a>                                               | \$2,500<br>monetary<br>fine | \$5,000<br>monetary fine<br>and<br>destruction of<br>25% of<br>harvestable<br>plants | \$15,000<br>monetary fine<br>and<br>destruction of<br>50% of<br>harvestable<br>plants | Cancellation of<br>license |
| <b>Records: Improper recordkeeping.</b><br>WAC <a href="#">314-55-087</a><br>WAC <a href="#">314-55-089</a> (2)<br>and (4)<br>WAC <a href="#">314-55-092</a> | \$2,500<br>monetary<br>fine | \$5,000<br>monetary fine<br>and<br>destruction of<br>25% of<br>harvestable<br>plants | \$15,000<br>monetary fine<br>and<br>destruction of<br>50% of<br>harvestable<br>plants | Cancellation of<br>license |
| <b>Violation of transportation requirements.</b><br>WAC <a href="#">314-55-085</a>                                                                           | \$2,500<br>monetary<br>fine | \$5,000<br>monetary fine<br>and<br>destruction of<br>25% of<br>harvestable<br>plants | \$15,000<br>monetary fine<br>and<br>destruction of<br>50% of<br>harvestable<br>plants | Cancellation of<br>license |
| <b>Failure to maintain required security alarm and surveillance systems.</b><br>WAC <a href="#">314-55-083</a> (2)<br>and (3)                                | \$2,500<br>monetary<br>fine | \$5,000<br>monetary fine<br>and<br>destruction of<br>25% of<br>harvestable<br>plants | \$15,000<br>monetary fine<br>and<br>destruction of<br>50% of<br>harvestable<br>plants | Cancellation of<br>license |
| <b>Failure to maintain standardized scale requirements (producer).</b><br>WAC <a href="#">314-55-099</a>                                                     | \$2,500<br>monetary<br>fine | \$5,000<br>monetary fine<br>and<br>destruction of<br>25% of<br>harvestable<br>plants | \$15,000<br>monetary fine<br>and<br>destruction of<br>50% of<br>harvestable<br>plants | Cancellation of<br>license |
| <b>Violation.</b>                                                                                                                                            |                             |                                                                                      |                                                                                       |                            |

[Statutory Authority: RCW [69.50.325](#), 69.50.331, 69.50.342, 69.50.345. WSR 13-21-104, § 314-55-535, filed 10/21/13, effective 11/21/13.]

### 314-55-540

#### Information about marijuana license suspensions.

(1) On the date a marijuana license suspension goes into effect, a liquor control officer will post a suspension notice in a conspicuous place on or about the licensed premises. This notice will state that the license has been suspended by order of the liquor control board due to a violation of a board law or rule.

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

(a) Are required to maintain compliance with all applicable marijuana 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 liquor control board's suspension notice.

(3) During the period of marijuana license suspension:

(a) A marijuana retailer or marijuana processor licensee may not operate his/her business during the dates and times of suspension.

(b) There is no sale, delivery, service, destruction, removal, or receipt of marijuana during a license suspension.

(c) A producer of marijuana may do whatever is necessary as a part of the producing process to keep current stock that is on hand at the time of the suspension from spoiling or becoming unsalable during a suspension, provided it does not include processing the product. The producer may not receive any agricultural products used in the production of marijuana during the period of suspension.

[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.]