



Board approves filing of proposed rules to implement Initiative 502

Recreational cannabis market to be tightly regulated to prevent diversion, impact to minors

OLYMPIA – The Washington State Liquor Control Board (Board) today approved the filing of proposed supplemental rules that, if ultimately enacted, will help govern Washington State’s system of producing, processing and retailing recreational marijuana. The Board earlier this summer filed proposed rules on July 3, 2013. The Board chose to revise and re-file its rules after receiving public input at five public hearings across Washington.

“These rules fulfill the public expectation of creating a tightly-regulated and controlled system while providing reasonable access to participation in the market, said Board Chair Sharon Foster. “Importantly, we believe these rules meet the eight federal government enforcement priorities within Thursday’s guidance memo from the Department of Justice.”

Key Public Safety Elements

Public safety is the top priority of the Washington State Liquor Control Board.

- All grows must meet strictly controlled on-site security requirements;
- Strict surveillance and transportation requirements;
- Robust traceability software system that will track inventory from start to sale;
- Criminal background checks on all license applicants;
- Tough penalty guidelines for public safety violations including loss of license;
- Restricting certain advertising that may be targeted at children.

Key Consumer Safety Elements

The proposed rules provide a heightened level of consumer safety that has not existed previously.

- Packaging and label requirements including dosage and warnings;
- Child-resistant packaging for cannabis in solid and liquid forms;
- Only lab tested and approved products will be available;
- Defined serving sizes and package limits on cannabis in solid form;
- Store signage requirements to educate customers.

Revisions to the Rules

Below are selected highlights found in the revised rules.

Production Limits

- Sets the maximum amount of space for marijuana production at two million square feet
 - Two million square feet equates to 40 metric tons of useable marijuana and 40 metric tons of production for concentrates.

Production Tiers



- Creates three production tiers based on square footage
 - Tier 1 – less than 2000 square feet
 - Tier 2 – 2000 to 10,000 square feet
 - Tier 3 – 10,000 to 30,000 square feet

Market Control Limits

- Limited any entity and/or principals within any entity to three producer or processor licenses
- Limited any principal and/or entity to no more than three retail licenses with no multiple location licensee allowed more than 33 percent of the allowed licenses in any county or city

On-Site Product Limits

- Established the maximum amount of cannabis allowed on a producer licensee's premises at any time based on the type of grow operation (indoor, outdoor, greenhouse)

1,000 Foot Buffer Measurement

- Changed the way the 1,000 foot buffer is measured from to "along the most direct route over or across established public walks, streets, or other public passageway between the proposed building/business locations to the perimeter of the grounds of the entities listed"

Definitions

- Added a definition for "plant canopy" to clarify what area is considered in the square footage calculation for cannabis producers
- Revised the definition of "Public Park" to include parks owned or managed by a metropolitan park district. Clarified that trails are not included in the definition of "Public Park "
- Revised the definition of "recreation center or facility." Added the language "owned and/or managed by a charitable non-profit organization, city, county, state, or federal government"

Advertising

- Added language requiring all advertising and labels of useable cannabis and cannabis infused products may not contain any statement or illustration that is false or misleading.

Retail Stores

In addition to the revisions to the rules, the Board today also identified the number and allocation of retail stores. Per Initiative 502, the WSLCB applied a method that allocates retail store locations using Office of Financial Management (OFM) population with a cap on the number of retail stores per county.

Using OFM population data as well as adult consumption data supplied by the state's cannabis consultant – BOTECH Analysis Corporation -- the Board allocated a maximum of 334 outlets statewide. The most populous cities within the county are allocated a proportionate number of stores and at-large stores available to serve other areas of the county.

Timeline

- December 6, 2012



Effective date of new law

- September 4, 2013
File Supplemental CR 102 with revised proposed rules
- October 9, 2013
Public hearing(s) on proposed rules (time and location TBD)
- October 16, 2013
Board adopts or rejects proposed rules (CR 103)
- November 16, 2013
Rules become effective
- November 18, 2013
Begin accepting applications for all three licenses (30-day window)
- December 1, 2013
Deadline for rules to be complete (as mandated by law)
- December 18, 2013
30-day window closes for producer, processor and retailer license applications

Public Hearings

One or more public hearings on the proposed rules will be scheduled soon. The WSLCB will post the dates and locations on its website at lcb.wa.gov

Note to Editors: Summary documents including: proposed rule highlights, answers to frequently asked questions, the allocation of retail stores and others are also available on the WSLCB website at lcb.wa.gov.