

COMMISSIONERS RECORD 52
FRANKLIN COUNTY
Commissioners' Proceedings for October 30, 2013

This document is a summarized version of the Board of Commissioners proceedings. The minutes are paraphrased, not verbatim. Access to an electronic audio recording of the meeting is available upon request.

The Honorable Board of Franklin County Commissioners met on the above date. Present for the meeting were Rick Miller, Chairman; Robert E. Koch, Chair Pro Tem; and Brad Peck, Member; Fred Bowen, County Administrator; and Margo Hines, Pro-Tem Clerk to the Board. Meeting convened at 9:00 am with the Pledge of Allegiance.

PLANNING AND BUILDING DEPARTMENT

Planning and Building Director Jerrod MacPherson and Assistant Director Greg Wendt met with the Board. Present in audience: Deputy Prosecutor Ryan Verhulp, Human Services Director Ed Thornbrugh, Tim Waters and Tri-City Herald Reporter Geoff Folsom.

Public Meeting: Text Change TC 2013-03, an application to amend Chapter 33 of the Franklin County Development Regulations—Zoning Ordinance #7-2005. Specifically the text amendment is to clarify, change or amend the zoning text in Chapter 33 Use Regulations and add a section that prohibits land uses such as medical marijuana collective gardens in Franklin County.

The Agenda Summary Report was reviewed (Exhibit 1).

Mr. Miller asked if anyone in the audience wished to comment. There was no response.

Motion – Mr. Koch moved for approval of Text Change TC 2013-03 subject to the three findings of fact. Second by Mr. Peck. After discussion and explanation that the use of recreational marijuana will be addressed separately, there was a 2:1 vote in favor. Yays: Koch and Miller. Nay: Peck. Mr. Peck noted that he feels the procedure should also affect the recreational use of marijuana. Ordinance 10-2013 was approved. (Exhibit 2)

OFFICE BUSINESS (9:11 am)

Vouchers

Motion – Mr. Peck moved for approval of payroll vouchers in the amount of \$826,255.43 as presented by the Auditor's Office.

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<u>Fund</u>	<u>Warrant</u>	<u>Amount</u>
Salary Clearing Payroll:		
Payroll	59359-59450	198,053.31
Direct Deposit		341,892.67
		539,945.98
Benefits	59451-59466	255,817.76
	Total	\$795,763.74
Emergency Mgmt Payroll:		
Payroll	89382-89392	\$2,800.02
Direct Deposit		5,745.10
		8,545.12
Benefits	89393-89401	4,567.24
	Total	\$13,112.36
Irrigation Payroll:		
Payroll	89360-89373	\$6,172.16
Direct Deposit		4,771.90
		10,944.06
Benefits	89374-89381	6,435.27
	Total	\$17,379.33
Grand Total All Payrolls		\$826,255.43

(Exhibit 3)

Motion – Mr. Peck moved for approval of vouchers in the amount of \$830,418.86 as presented by the Auditor's Office. Second by Mr. Koch. Mr. Bowen has reviewed the vouchers. 3:0 vote in favor.

<u>Fund Expenditures</u>	<u>Warrants</u>		<u>Amount Issued</u>
Current Expense	89197	89226	\$4,380.64
Courthouse Facilitator Program	89227	-	\$1,310.00
Current Expense	89228	89232	\$3,171.54
Current Expense	89233	89258	\$39,230.40
Current Expense	89259	89265	\$32,966.73
Jail Commissary	89266	89267	\$220.25
Enhanced 911	89268	89270	\$116,917.54
Law Library	89271	89273	\$9,292.69
Ending Homelessness Fund	89274	89279	\$8,756.57
.3% Criminal Justice Const Fnd	89280	89283	\$17,642.32
County Roads	89284	89295	\$464,919.69
Solid Waste	89296	-	\$4,717.00
Motor Vehicle/Public Works	89297	89316	\$44,105.80

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FC Public Facilities Const Fund	89317	89318	\$241.81
TRAC Operations Fund	89319	89341	\$38,393.26
Franklin County RV Facility	89342	89346	\$31,883.19
Current Expense	89347	89349	\$168.39
Auditor O & M	89350	-	\$14.76
Fr. Co. Unemployment Trust	89351	-	\$3,796.37
Current Expense	89352	89354	\$6,830.94
Current Expense	89355	89359	<u>\$1,458.97</u>
Grand Total:			\$830,418.86
			(Exhibit 4)

Consent Agenda

Motion – Mr. Koch moved for approval of the consent agenda items 1 through 7 with discussion. Second by Mr. Peck. After discussion, WSU Extension Director Tim Waters asked to withdraw consent agenda item 2.

Amended Motion – Mr. Koch amended his motion to exclude item 2. Second by Mr. Peck. 3:0 vote in favor.

1. Approval of Resolution 2013-385, Purchase Reimbursement Agreement between the Washington State Administrative Office of the Courts and Benton-Franklin Counties Juvenile Court

(Clerk's Note: Item #2 was removed from the consent agenda.)
2. Approval of Resolution 2013-_____, Intra-Budget Transfers totaling \$1470 within 2013 Current Expense County Agent Budget #001-000-020
3. Approval of Resolution 2013-386, Contract between Franklin County and James W. Potts, Legislative Representative
4. Approval of Resolution 2013-387, termination of Professional Services Agreement for transcription services with Dorcas J. Clark
5. Approval of Resolution 2013-388, Professional Services Agreement to Provide Legal Representation in *In Re Interest and Welfare of H.B.*, Franklin County Cause #13-5-50093-4, Contract EFCSC1300DS001M
6. Approval of Resolution 2013-389, Inter-Budget Transfer of \$3000 from 2013 Current Expense Non-Departmental Budget #001-000-700, Contingency line item, to Current Expense Capital Outlay Budget #001-000-710, Coroner Vehicle line item
7. Approval of Resolution 2013-390, payment of Franklin County's portion (\$2860.03) of an invoice accrued by The Landfill Group to Aspect Consulting LLC for professional consulting services at the Pasco Sanitary Landfill

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TRAC (9:19 am)

TRAC Manager Troy Woody met with the Board.

Cell phone reimbursement change request

The Board **gave approval** to remove authorization for cell phone reimbursement for TRAC Food and Beverage Manager.

The Board **gave approval** to authorize cell phone reimbursement for TRAC banquet manager.

Capital Projects Update (9:24 am)

Mr. Woody gave an update on TRAC capital projects.

Inventory modifications/disposals (9:28 am)

Mr. Woody explained the need to update the inventory list by using adjustments and disposals. The inventory list includes some items that were listed long before Mr. Woody became the manager.

Motion – Mr. Koch moved for approval to allow TRAC to surplus property and expressed some reservations. Motion died for lack of a second.

The Board asked Mr. Woody to prepare resolutions for the consent agenda.

PUBLIC WORKS (9:39 am)

Public Works Director Matt Mahoney and Engineer Matthew Rasmussen met with the Board.

Hollingsworth Road Spur

Mr. Mahoney explained that a portion of Hollingsworth Road was closed earlier but there are now no safety concerns at the intersection.

Motion – Mr. Koch moved to approve the reopening of the closed section of Hollingsworth Road. Second by Mr. Peck, noting all the safety requirements are now in place. 3:0 vote in favor.

Road intersection report

The Public Works Department is preparing a report about similar road intersections.

COUNTY ADMINISTRATOR

County Administrator Fred Bowen met with the Board.

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2014 Budget

The Board scheduled a Budget Workshop for Monday, November 4, 2013.

Recessed at 10:10 am.

Reconvened at 10:17 am.

PROSECUTOR

Deputy Prosecutor Janet Taylor and Human Services Administrator Ed Thornbrugh met with the Board.

Executive Session at 10:18 am pursuant to RCW 42.30.140(4) to discuss contract negotiations expected to last 30 minutes.

Open Session at 10:51 am.

Executive Session at 10:51 am pursuant to RCW 42.30.110(1)(b), real estate acquisition or site selection, expected to last 15 minutes.

Open Session at 11:08 am.

PLANNING AND BUILDING DEPARTMENT

Planning Director Jerrod MacPherson, Assistant Director Greg Wendt and Deputy Prosecutor Ryan Verhulp met with the Board.

Workshop: Initiative 502 and options for the regulation of recreational marijuana in unincorporated Franklin County

Present in audience: Geoff Folsom and Chris Herron.

Mr. MacPherson reviewed the information in the Agenda Summary Report and used a PowerPoint presentation. (Exhibit 5)

Mr. Verhulp answered the Board's questions.

OTHER BUSINESS

Public Comment (11:52 am)

Chris Herron asked about county discussion or action regarding continued animal trespasses. After discussion, Mr. Miller said he will speak with the sheriff.

Adjourned at 11:57 am.

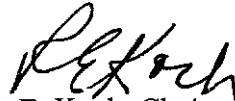
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There being no further business, the Franklin County Board of Commissioners meeting was adjourned until November 6, 2013.

BOARD OF COUNTY COMMISSIONERS
FRANKLIN COUNTY, WASHINGTON



Rick Miller, Chairman



Robert E. Koch, Chairman Pro Tem

Brad Peck - Absent

Brad Peck, Member

Attest:


Clerk to the Board

Approved and signed November 18, 2013.

Franklin County
Board of Commissioners
Agenda Summary Report

DATE: October 21, 2013

PRESENTED BY: Jerrod MacPherson

ITEM: (Select One) ☐ Consent Agenda.
☒ To Be Brought Before the Board. Date: October 30, 2013
Time needed: 15 minutes

SUBJECT / ISSUE: TC-2013-03, a public meeting to review the Planning Commission's recommendation for an application by Franklin County. The County has proposed a text amendment to the Franklin County Development Regulations (Zoning), Ordinance 7-2005 to amend the zoning text in Chapter 33 Use Regulations.

ACTION(S) REQUESTED:

Review the Planning Commission Recommendation in a Public Meeting; Pass a motion; and Pass an Ordinance.

BACKGROUND:

This is a text change application to amend Chapter 33 of the Franklin County Development Regulations—Zoning Ordinance #7-2005. Specifically the text amendment is to clarify, change or amend the zoning text in Chapter 33 Use Regulations and add a section that prohibits land uses such as medical marijuana collective gardens in Franklin County.

PUBLIC TESTIMONY AND DISCUSSIONS:

Phone Discussions: Planning Staff received one (1) phone call from a citizen regarding this application.

In-Office Discussions: Planning Staff did have one (1) in-office conversation with a citizen regarding the proposed text amendment.

Open Record Hearing Testimony:

- In support of application: No citizens spoke in support of the application.
- In opposition of application: No citizens spoke against the application.
- Clarification only: None.
- Planning Commission Voting/Discussion. Positive recommendation with 4 in favor, and 0 against.

SUMMARY: At the regularly scheduled Planning Commission hearing on August 6, 2013 the Franklin County Planning Commission voted to forward a positive recommendation for this application to the Board of County Commissioners subject to the following three (3) findings of fact:

FINDINGS OF FACT:

1. The text amendment is in accordance with the goals and policies of the Franklin County Comprehensive Plan.
2. The text amendment is in compliance with the intent and spirit of the Franklin County Development Regulations (Zoning).
3. The text amendment is in recognition of Chapter 69.51A RCW, and in adherence to Title 21 USC §§ 801-971.

Page 2
Agenda Summary Report

COORDINATION:

Upon completion of the open record public hearing with the Franklin County Planning Commission, the proposed text change was forwarded to the Washington State Department of Commerce for their required review under RCW 36.70A (The Growth Management Act). The State requires a 60 day review and comment period, unless an expedited review is requested. Expedited review was not requested on this application for an update to the *Franklin County Development Regulations* (Zoning Ordinance 7-2005). The 60 review and comment period has ended, and the Department of Commerce did not comment, nor did any other State Agency.

RECOMMENDATION:

The County Planning Commission recommends the Board approve TC-2013-03 with the following motion:

Motion:

Grant approval of text change application TC-2013-03, subject to the three (3) findings of fact.

HANDLING / ROUTING:

There will be two (2) originals brought for signature to the public meeting and distributed as follows – 1. To be filed with the County Auditor; and 2. To be on file in the Planning and Building Department.

ATTACHMENTS:

- 1). The affected and amended Chapter and Section (Chapter 33 – Use Regulations; Section 33.2.5 – Prohibited land Uses);
- 2). The Department of Commerce's required notice of proposed amendment; 3). The Department of Commerce's notice of 60 day review procedural requirement being met; and 4). Copies of Ordinance(s) 5-2012 and 2-2013 placing a moratorium on medical marijuana collective gardens within the unincorporated portions of Franklin County.

I certify the above information is accurate and complete.



Jerrod MacPherson – Director of Planning and Building

TC 2013-03
 Zoning Text Amendment
 Collective Gardens

APPLICATION BREAKDOWN:

The following is a proposed text change to the Franklin County Development Regulations (Zoning), Ordinance # 7-2005. Specifically the text change focuses on the following:

CHAPTER 33 USE REGULATIONS

Sections:

- 33.1.0 Purpose
- 33.2.0 Permitted Land Uses
- 33.2.5 *Prohibited Land Uses***
- 33.3.0 Access Requirements to Public Roads
- 33.4.0 Accessory Buildings
- 33.5.0 Accessory Dwelling Units
- 33.6.0 Accessory Dwelling Units – detached
- 33.7.0 Adult Entertainment Establishments
- 33.8.0 Bed and Breakfast Facilities
- 33.9.0 Caretaker's Residence
- 33.10.0 Communication Towers
- 33.11.0 Compost Boxes/Piles
- 33.12.0 Hazardous Waste
- 33.13.0 Mobile Office
- 33.14.0 Natural Resource Uses
- 33.15.0 Outdoor Residential Lighting
- 33.16.0 Outdoor Shops and Sales
- 33.17.0 Pawnshop and Secondhand Shops
- 33.18.0 Residential Design Standards: Urban Growth Areas and Rural Shoreline Areas
- 33.19.0 Residential Design Standards: Rural Residential and Rural Settlement Areas
- 33.20.0 Rural Retail Business
- 33.21.0 Supplemental Use Classifications – Planning Determinations
- 33.22.0 Swimming pools
- 33.23.0 Swine/Pig Animal Standards
- 33.24.0 Tattoo parlors
- 33.25.0 Temporary use of a trailer (Travel Trailer, RV, 5th Wheel, Etc.)
- 33.26.0 Vehicle-Related Uses
- 33.27.0 Wineries

33.1.0 PURPOSE. The purpose of this chapter is to establish supplemental development standards which qualify or supplement, as the case may be, the district regulations contained herein. The supplemental development standards are intended to assure land use compatibility and promote the public health, safety and welfare of the community.

33.2.0 PERMITTED LAND USES. Table 70-1 "Permitted Land Uses" is incorporated as part of this section and is inserted at the end of this chapter. The land uses listed in Table 70-1 are designated as permitted by right (P), accessory (A) or requiring a conditional use permit (CUP).

TC 2013-03
Zoning Text Amendment
Collective Gardens

33.2.5 PROHIBITED LAND USES. *The following use(s) are specifically prohibited in all zoning districts in unincorporated Franklin County.*

- (1). Medical Marijuana Collective Gardens, per R.C.W. 69.51A.085, unless otherwise allowed by Federal law.*



Department of Commerce

Innovation is in our nature.

Notice of Intent to Adopt Amendment 60 Days Prior to Adoption

Indicate one (or both, if applicable):

- ☐ Comprehensive Plan Amendment
☒ Development Regulation Amendment

Pursuant to RCW 36.70A.106, the following jurisdiction provides notice of intent to adopt a proposed comprehensive plan amendment and/or development regulation amendment under the Growth Management Act.

Jurisdiction: Franklin County, Washington
Mailing Address: 1016 North 4th Avenue
Pasco, WA 99301
Date: August 7, 2013
Contact Name: Jerrod MacPherson
Title/Position: Director of Planning and Building
Phone Number: 509-545-3521
E-mail Address: jmacpherson@co.franklin.wa.us

**Brief Description of the
Proposed/Draft Amendment:**

If this draft amendment is provided to supplement an existing 60-day notice already submitted, then please provide the date the original notice was submitted and the Commerce Material ID number (located in your Commerce acknowledgement letter.)

Proposed amendment to the Franklin County Development Regulations (Zoning) Ordinance # 7-2005 – Chapter 33 Use Regulations. The proposed amendment is to Chapter 33 Use Regulations, adding a section (33.2.5) for prohibited land uses and specifically listing Medical Marijuana Collective Gardens, per RCW 69.51A.085, unless otherwise allowed by Federal law.

Is this action part of the periodic review and update? GMA requires review every 8 years under RCW 36.70A.130(4)-(6).

Yes: _____
No: X

Public Hearing Date: Planning Board/Commission: August 6, 2013
Council/County Commission: Mid October 2013
Proposed Adoption Date: Mid October 2013

REQUIRED: Attach or include a copy the proposed amendment text.



STATE OF WASHINGTON

DEPARTMENT OF COMMERCE

1011 Plum Street SE • PO Box 42525 • Olympia, Washington 98504-2525 • (360) 725-4000
www.commerce.wa.gov

August 7, 2013

Jerrold MacPherson
Planning Director
Franklin County
1016 North Fourth
Pasco, Washington 99301

Dear Mr. MacPherson:

Thank you for sending the Washington State Department of Commerce (Commerce) the following materials as required under RCW 36.70A.106. Please keep this letter as documentation that you have met this procedural requirement.

County of Franklin - Proposed amendment to the Franklin County development regulations (zoning). Ordinance No. 7-2005 - Chapter 33 use regulations. Adding Section (33.2.5) for prohibited land uses and specifically listing medical marijuana collective gardens per RCW 69.51A.085, unless otherwise allowed by federal law. These materials were received on August 07, 2013 and processed with the Material ID # 19426.

We have forwarded a copy of this notice to other state agencies.

If this submitted material is an adopted amendment, then please keep this letter as documentation that you have met the procedural requirement under RCW 36.70A.106.

If you have submitted this material as a draft amendment, then final adoption may occur no earlier than sixty days following the date of receipt by Commerce. Please remember to submit the final adopted amendment to Commerce within ten days of adoption.

If you have any questions, please contact Growth Management Services at reviewteam@commerce.wa.gov, or call Dave Andersen (509) 434-4491 or Paul Johnson (360) 725-3048.

Sincerely,

Review Team
Growth Management Services

ORDINANCE NUMBER 5-2012**AN ORDINANCE IMPOSING A MORATORIUM ON MEDICAL MARIJUANA COLLECTIVE GARDENS IN FRANKLIN COUNTY.**

WHEREAS, in 1998, the Washington voters chose to remove criminal penalties for patients who use medical marijuana for debilitating or terminal conditions; and,

WHEREAS, for the preceding 30+ years, production, sale, possession or dispensing of marijuana was a crime in the State of Washington; and,

WHEREAS, in 2011, the legislature has sought to expand the opportunities to grow, produce, process and dispense medical marijuana in the State of Washington; and

WHEREAS, the U. S. Attorney's Office has notified the legislature and the governor that such state legislation will not shield Washington citizens from the potential for federal prosecution; and

WHEREAS, the production, processing or dispensing of medical marijuana is an important public issue and the improper location of such facilities could cause serious harm to vulnerable populations, including youth; and

WHEREAS, the Board of County Commissioners has the authority pursuant to RCW 36.70.795 to adopt a moratorium without holding a public hearing (as long as a public hearing is held on the adopted moratorium within at least 60 days of its adoption) and whether or not there is a recommendation on the matter from the Planning Commission that may be effective for not longer than six months, but may be effective for up to one year if a work plan is developed for related studies providing for such longer period. A moratorium may be renewed for one or more six-month period(s) if a subsequent public hearing is held and finding of fact are made prior to each renewal; and,

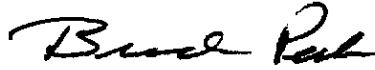
WHEREAS, the Board of County Commissioners finds a sufficient basis to establish the moratorium, believes that the above mentioned circumstances constitute an emergency, and that it is in the public's best interest (to protect the public's safety, health and general welfare) to maintain the status quo of the area pending the County's consideration of amending zoning classifications based on further study and public analysis; and

WHEREAS, the Board of County Commissioners intends for these recitals to constitute its "findings of fact" as required by RCW 36.70.795; and

NOW THEREFORE BE IT ORDAINED by the Board of County Commissioners of Franklin County, Washington, as follows: The Board of County Commissioners hereby adopts this Ordinance to establish for six months the moratorium on the acceptance and processing of any permit application to locate any facilities for the growing, production, processing and/or dispensing of medical marijuana prior to further study and public analysis on parcels located within unincorporated Franklin County and to establish a moratorium on the use of land or buildings for the growing, production, processing and/or dispensing of medical marijuana in unincorporated Franklin County.

PASSED this 19 day of December, 2012.

BOARD OF COUNTY COMMISSIONERS
FRANKLIN COUNTY, WASHINGTON



Brad Peck, Chair



Rick Miller, Chair Pro Tem




Robert E. Koch, Member

ATTEST:


Clerk of the Board

APPROVED AS TO FORM:

By:



Shawn P. Sant
Prosecuting Attorney

ORDINANCE NUMBER 2-2013**AN ORDINANCE EXTENDING A MORATORIUM ON MEDICAL MARIJUANA COLLECTIVE GARDENS IN FRANKLIN COUNTY.**

WHEREAS, on December 19, 2012, the Board of County Commissioners adopted Ordinance 5-2012 imposing a six (6) month moratorium on medical marijuana collective gardens within unincorporated Franklin County; and

WHEREAS, in adoption of Ordinance 5-2012 the Board of County Commissioners found imposition of a moratorium was in the public's best interest (to protect the public's safety, health and general welfare) and to maintain the status quo pending Franklin County's consideration of amending zoning classifications based on further study and public analysis; and

WHEREAS, Franklin County staff have now conducted further study regarding regulation of medical marijuana collective gardens and now seek direction from the Board of County Commissioners in regards to developing such regulations; and

WHEREAS, the moratorium imposed by Ordinance 5-2012 expires June 19, 2013; and

WHEREAS, additional time is necessary to develop and implement regulations to be considered by the Board of County Commissioners; and

WHEREAS, while development and implementation of regulations is pending it continues to be in the public's best interest to impose a moratorium and preserve the status quo by extending for another six (6) months the moratorium on medical marijuana gardens within unincorporated Franklin County; and

WHEREAS, this day a public hearing has been held to consider extending for another six (6) months the moratorium on medical marijuana gardens within unincorporated Franklin County; and

WHEREAS, the Board of County Commissioners has the authority pursuant to RCW 36.70.795 to adopt a moratorium; and

WHEREAS, the Board of County Commissioners intends for these recitals and those set forth in Ordinance 5-2012 and incorporated herein, to constitute its "findings of fact" as required by RCW 36.70.795.

NOW THEREFORE BE IT ORDAINED by the Board of County Commissioners of Franklin County, Washington, as follows: The Board of County Commissioners hereby adopts this Ordinance 2-2013 to establish for an additional six (6) months the moratorium on the acceptance and processing of any permit application to locate any facilities for the growing, production, processing and/or dispensing of medical marijuana prior to further study and public analysis on parcels located within unincorporated Franklin County and to establish a moratorium on the use of land or buildings for the growing, production, processing and/or dispensing of medical marijuana in unincorporated Franklin County.

PASSED this 19th day of June, 2013.

BOARD OF COUNTY COMMISSIONERS
FRANKLIN COUNTY, WASHINGTON

Rick Miller - Absent

Rick Miller, Chair


Robert E. Koch, Chair Pro Tem


Brad Peck, Member

ORDINANCE NUMBER 2-2013
AN ORDINANCE EXTENDING A MORATORIUM ON MEDICAL MARIJUANA
COLLECTIVE GARDENS IN FRANKLIN COUNTY

APPROVED AS TO FORM:

By: 
Ryan Verhulp
Deputy Prosecuting Attorney

Attest: 
Clerk to the Board

ORDINANCE NUMBER

9-2013

AN ORDINANCE AMENDING ORDINANCE 007-2010 AND PROVIDING FOR THE IMPOSITION, COLLECTION, AND ADMINISTRATION OF AN ENHANCED E-911 EXCISE TAX ON EACH RETAIL TRANSACTION/ PURCHASE OF PREPAID WIRELESS TELECOMMUNICATION SERVICES

WHEREAS, pursuant to RCW 82.14B the Legislature of the State of Washington has authorized the County to impose enhanced 911 excise taxes on switched access lines, radio access lines, and interconnected voice over internet protocol service lines; and

WHEREAS, pursuant to RCW 82.14B.010 and effective January 1, 2011, the State of Washington Legislature found the state and counties should be provided with an additional revenue source to fund enhanced 911 emergency communication systems; and

WHEREAS, RCW 82.14B.060 requires county legislative authorities opting to impose the aforementioned tax to do so by ordinance setting forth all necessary and appropriate procedures for its administration; and

WHEREAS, pursuant to RCW 82.14B.060 the Board of Franklin County Commissioners passed Ordinance 007-2010 on September 29, 2010, for the imposition, collection, and administration of an enhanced E-911 excise tax for each switched access line, radio access line, and interconnected voice over internet protocol service line; and

WHEREAS, effective January 1, 2014, Second Engrossed Second Substitute House Bill 1971 authorizes counties to impose an enhanced 911 excise tax on each retail transaction / purchase of prepaid wireless telecommunication services of which formerly was not subject to such tax; and

WHEREAS, imposition of the immediately aforementioned tax can be facilitated by amending Ordinance 007-2010; and

WHEREAS, the Board of Franklin County Commissioners constitutes the legislative authority of Franklin County and is given authority to pass regulatory ordinances under the Washington State Constitution Article 11 §11; RCW 36.32.120(7); and

NOW THEREFORE BE IT ORDAINED by the Board of County Commissioners of Franklin County, Washington, as follows:

The following Section 2: Definitions replaces in its entirety said section in Ordinance 007-2010.

Section 2: Definitions

The definitions contained in RCW 82.14B.020, of the terms "Consumer," "Emergency services communication system," "Enhanced 911 emergency communications system," "Interconnected voice over internet protocol service," "Interconnected voice over internet protocol service line," "Local exchange company," "Place of primary use," "Prepaid wireless telecommunications service," "Private telecommunications system," "Radio access line," "Radio communications service company," "Retail transaction," "Seller," "Subscriber," and "Switched access line" are adopted by reference for the purposes of this ordinance.

The following subsection D shall be an addition to Section 3: Tax levied in Ordinance 007-2010.

Section 3: Tax levied

- D. There is hereby levied an excise tax of 70 cents per retail transaction within the County as authorized by RCW 82.14.030.

The following Section 4: Use of Proceeds replaces in its entirety said section in Ordinance 007-2010.

Section 4: Use of Proceeds

The proceeds of the tax shall be used for an enhanced 911 emergency communications system and as otherwise allowed by law.


Section 9: Effective Date

The effective date of the excise tax on each retail transaction imposed herein is January 1, 2014 and notice of the tax shall be provided by Franklin County, or its designee, to all radio communications service companies in the County, at least sixty days in advance of the date on which the first payment is due.

PASSED this 23rd day of October, 2013.


BOARD OF COUNTY COMMISSIONERS
FRANKLIN COUNTY, WASHINGTON


Rick Miller, Chair


Robert E. Koch, Chair Pro Tem


Brad Peck, Member

ATTEST:


Clerk of the Board

APPROVED AS TO FORM:

By: 
Ryan E. Vermulp
Deputy Prosecuting Attorney
of



FRANKLIN COUNTY AUDITOR

Matt Beaton, Auditor

October 30, 2013

Franklin County Commissioners:

Vouchers audited and certified by the auditing officer by RCW 42.24.080, expense reimbursement claims certified by RCW 42.24.090, have been recorded on a listing, which has been sent to the board members.

Action: As of this date, October 30, 2013 *[Signature]*
move that the following warrants be approved for payment.

<u>FUND</u>	<u>WARRANT</u>	<u>AMOUNT</u>
Salary Clearing Payroll:		
Payroll	59359-59450	198,053.31
Direct Deposit		341,892.67
		539,945.98
Benefits	59451-59466	255,817.76
	Total	\$795,763.74
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Direct Deposit		4,771.90
		10,944.06
Benefits	89374-89381	6,435.27
	Total	\$17,379.33
Grand Total All Payrolls		\$826,255.43

In the total amount of **\$826,255.43**

(\$795,763.74+\$13,112.36+\$17,379.33)

The motion was seconded by *[Signature]*

and passed by a vote of 3 to 0

The attached payroll has been approved by Auditor or Deputy *[Signature]*

[Signature] Salary Clearing & EM Prepared By

[Signature]
Irrigation Prepared by



FRANKLIN COUNTY AUDITOR

Matt Beaton, Auditor

10/30/2013

Franklin County Commissioners:

Vouchers audited and certified by the auditing officer by RCW 42.24.080, expense reimbursement claims.

Action: As of this date, 10/30/2013

Move that the following warrants be approved for payment:

certified by RCW 42.24.090, have been recorded on a listing, which has been sent to the board members.

FUND Expenditures	WARRANTS		AMOUNT ISSUED
Current Expense	89197	89226	\$4,380.64
Courthouse Facilitator Program	89227	-	\$1,310.00
Current Expense	89228	89232	\$3,171.54
Current Expense	89233	89258	\$39,230.40
Current Expense	89259	89265	\$32,966.73
Jail Commissary	89266	89267	\$220.25
Enhanced 911	89268	89270	\$116,917.54
Law Library	89271	89273	\$9,292.69
Ending Homelessness Fund	89274	89279	\$8,756.57
.3% Criminal Justice Const Fnd	89280	89283	\$17,642.32
County Roads	89284	89295	\$464,919.69
Solid Waste	89296	-	\$4,717.00
Motor Vehicle/Public Works	89297	89316	\$44,105.80
FC Public Facilities Const Fund	89317	89318	\$241.81
TRAC Operations Fund	89319	89341	\$38,393.26
Franklin County RV Facility	89342	89346	\$31,883.19
Current Expense	89347	89349	\$168.39
Auditor O & M	89350	-	\$14.76
Fr. Co. Unemployment Trust	89351	-	\$3,796.37
Current Expense	89352	89354	\$6,830.94
Current Expense	89355	89359	\$1,458.97

In the amount of

The motion was seconded by

And passed by a vote of 3 to 0

The attached vouchers have been approved by Auditor or Deputy

\$830,418.86

Vouchers Audited By: Julie Jordan

Franklin County
Board of Commissioners
Agenda Summary Report

DATE: October 21, 2013**PRESENTED BY:** Jerrod MacPherson

ITEM: (Select One) ☐ Consent Agenda.
☒ To Be Brought Before the Board. Date: October 30, 2013
Time needed: 30 minutes

SUBJECT / ISSUE:

WORKSHOP to discuss Initiative 502 and options for the regulation of recreational marijuana in unincorporated Franklin County.

ACTION(S) REQUESTED:

Workshop

BACKGROUND:

Initiative 502 was passed by the voters in Washington State in November 2012, providing a framework under which marijuana producers, processors and retailers can become licensed by the State of Washington.

The WA State Liquor Control Board, under direction from I 502, developed rules and regulations for marijuana producers, processors and retailers on October 16, 2013 and will begin issuing State approved licenses in December 2013.

What authority does the County have in the process? Authority is delegated to Counties in RCW 69.51A.140.

Counties may adopt and enforce *any of the following* pertaining to the production, processing, or dispensing of marijuana within their jurisdiction (outside of city limits):

- 1). Zoning requirements;
- 2). Business licensing/registration requirements; and/or
- 3). Health/safety requirements.

Franklin County imposed a six month moratorium on the retail sale, production, and processing of marijuana effective September 11, 2013.

COORDINATION:

With the adopted moratorium, the County has until approximately **March 11, 2014** to adopt new zoning regulations for marijuana uses. A tentative public process may look as follows:

- 1). **November 1, 2013:** Advertise a Public Hearing with the County Planning Commission;
- 2). **December 3, 2013:** Hold a Public Hearing on this topic before the County Planning Commission;
- 3). **60 Day Review:** The Planning Commission's recommendation from the Public Hearing will be sent to the State of Washington for a 60 day review period. This review period ends in early February of 2014.
- 4). **County Commissioners:** A public meeting with the County Commissioners to review the Planning Commission's recommendation on this topic would occur in mid to late February of 2014.

*Agenda Summary Report
I-502 – Recreational Marijuana
Page 2*

RECOMMENDATION:

Staff is requesting guidance from the County Commissioners prior to beginning the public hearing process.

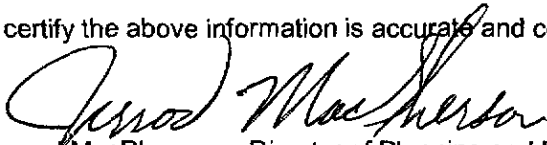
HANDLING / ROUTING:

N/A

ATTACHMENTS:

- 1) PowerPoint Presentation - Discuss Options.
- 2) Franklin County Zoning Map with State's required 1000 ft. buffer and Federal lands identified.
- 3) Retail Store Locations by County, as provided by Washington State Liquor Control Board.
- 4) Washington State Liquor Control Board FAQ's on I-502.
- 5) RCW 69.51A.140 – County Authority.
- 6) Washington State Liquor Control Board Rules Highlights Sheet and Adopted Rules effective October 16, 2013.
- 7) Franklin County Ordinance 7-2013 (6 Month Moratorium).

I certify the above information is accurate and complete.



Jerrod MacPherson – Director of Planning and Building

OPTIONS FOR MARIJUANA REGULATIONS:
PRODUCTION, PROCESSING, AND RETAIL USES

UNINCORPORATED
FRANKLIN COUNTY, WA

BACKGROUND INFORMATION:

- 1) Initiative 502 passed by the voters in Washington State in November 2012, providing a framework under which marijuana producers, processors and retailers can become licensed by the State of Washington.
- 2) Initiative 502 directed the WA State Liquor Control Board to develop rules and regulations.
- 3) The State adopted new rules on October 16, 2013 and is expected to begin issuance of marijuana producer, processor, and retail licenses to qualified applicants in December 2013.
- 4) What authority does the County have? Authority is delegated to Counties in RCW 69.51A.140. Counties may adopt and enforce *any of the following* pertaining to the production, processing, or dispensing of marijuana within their jurisdiction (outside of city limits):
 - a. Zoning requirements;
 - b. Business licensing/registration requirements; and/or
 - c. Health/safety requirements.
- 5) Franklin County imposed a six month moratorium on the retail sale, production, and processing of marijuana effective September 11, 2013.

OTHER JURISDICTIONS:

- From data available, other jurisdictions generally regulate marijuana uses through zoning and applicable business license/registration programs.
- Some have simply integrated new definitions (consistent with State law) for the use(s) into the local zoning ordinances. That is followed up with the zoning decision of which marijuana use(s) would be allowed in which zoning district (such as commercial, agricultural etc).
- Others have additionally created a chapter or section(s) in the zoning ordinance reiterating portions of the state law and detailing additional local siting/zoning standards for licensed uses.

OPTIONS FOR REGULATION:

- OPTION #1: Prohibit in Franklin County: It is discouraged to completely prohibit the siting of producers, processors, and retailers in Franklin County.
- OPTION #2: Adopt permanent rules and regulations through zoning and business license/registration standards.
- * Create definition(s) in the zoning code;
 - * Examine zoning district options (commercial, industrial etc) for use(s) to occur; Examine a County Map with State required 1,000 ft buffer for assistance.
 - * Determine if licensed uses are a permitted use or prohibited use by zoning district. Would recommend that a conditional use permit option not be available.
 - * Require each State licensed entity to apply for and obtain a County Business License/Registration.

OPTIONS FOR REGULATION:

OPTION #3:

Adopt #2 above and determine if additional standards or requirements are necessary. **Example(s)** of things to consider:

Prohibit marijuana uses in mobile structures?

Prohibit marijuana uses as a Home Occupation?

Should more than one licensed (1) facility be allowed per parcel?

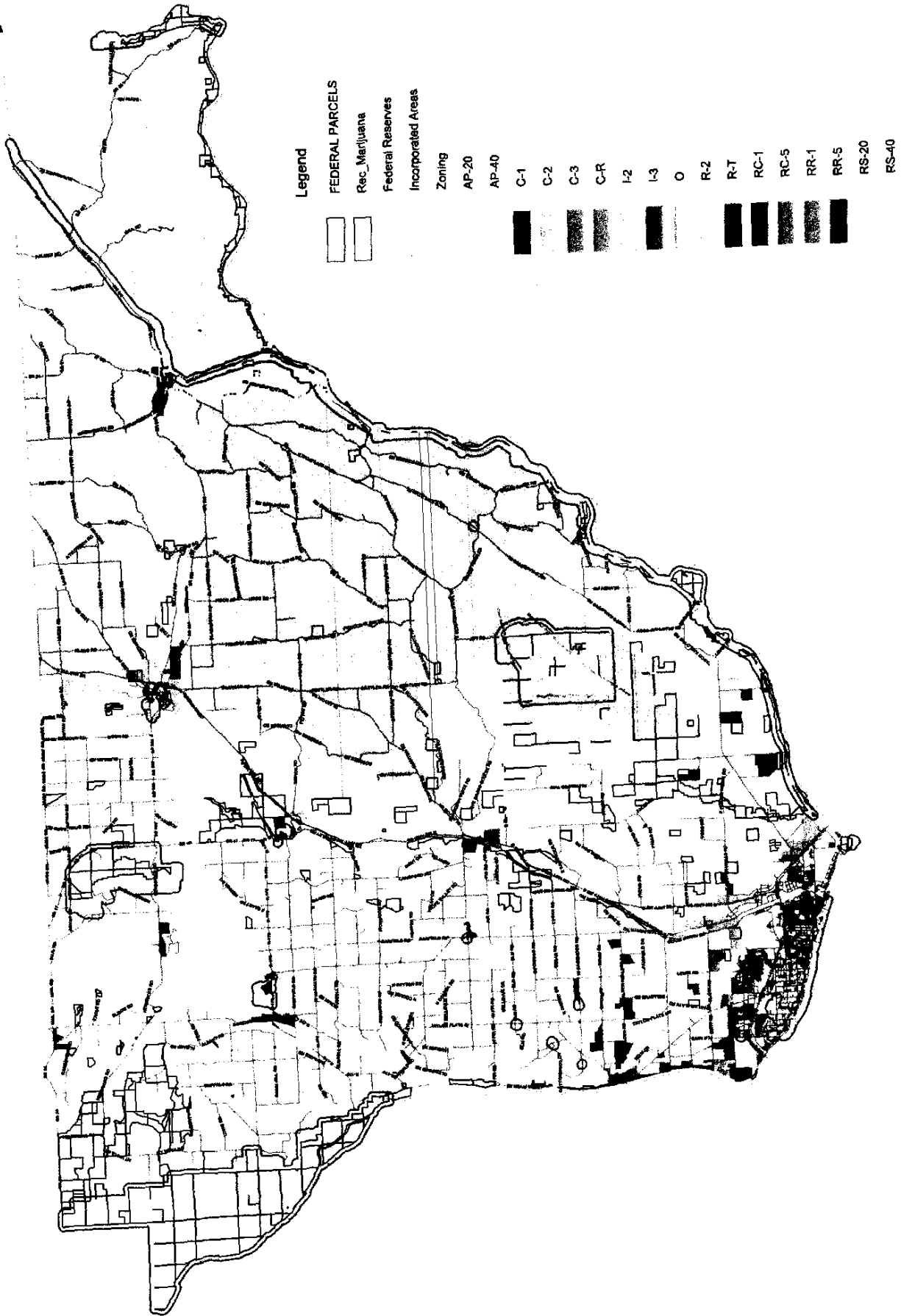
Facility Location/Siting Standards:

- * Utilize typical property setback standards for licensed uses?
(Commercial and Industrial Zones have zero side and rear setbacks)
- * Setbacks to residential homes or residential zoning?
- * Does it matter how close a facility is to emergency services?

PROCESS/TIMELINE TO ADOPT FRANKLIN COUNTY REGULATIONS

With the adopted moratorium, the County has until approximately **March 11, 2014** to adopt new zoning regulations for marijuana uses.

- 1) **November 1, 2013:** Advertise a Public Hearing with the County Planning Commission;
- 2) **December 3, 2013:** Hold a Public Hearing on this topic before the County Planning Commission;
- 3) **60 Day Review:** The Planning Commission's recommendation from the Public Hearing will be sent to the State of Washington for a 60 day review period. This review period ends on February 1, 2014.
- 4) **County Commissioners:** A public meeting with the County Commissioners to review the Planning Commission's recommendation on this topic would occur in February 2014.



Retail Store Locations

Adams County	18,728		2
At Large	8,818	2	
Asotin County	21,623		2
At Large	13,143	2	
Benton County	175,177		10
At Large	32,639	2	
Kennewick	73,917	4	
Richland	48,058	3	
West Richland	11,811	1	
Chelan County *	72,453		6
At Large	30,498	3	
Wenatchee	31,925	3	
Clallam County	71,404		6
At Large	42,228	3	
Port Angeles	19,038	2	
Sequim	6,606	1	
Clark County	425,363		15
At Large	203,339	6	
Battle Ground	17,571	1	
Camas	19,355	1	
Vancouver	161,791	6	
Washougal	14,095	1	
Columbia County	4,078		1
At Large	1,423	1	
Cowlitz County *	102,410		7
At Large	44,085	3	
Kelso	11,925	1	
Longview	36,648	3	
Woodland (part)	5,426		
Douglas County	38,431		3
At Large	20,399	2	
East Wenatchee	13,190	1	
Ferry County	7,551		1
At Large	6,478	1	
Franklin County *	78,163		5
At Large	13,491	1	
Pasco	59,781	4	
Garfield County	2,266		1
At Large	841	1	
Grant County *	89,120		7
At Large	40,134	3	
Ephrata	7,664	1	
Moses Lake	20,366	2	

Retail Store Locations

Jurisdiction	2013 Population	2013 Stores	2013 Stores per 1,000
Quincy	6,750	1	
Grays Harbor County	72,797		6
At Large	28,438	3	
Aberdeen	16,896	1	
Hoquiam	8,726	1	
Ocean Shores	5,569	1	
Island County	78,506		4
At Large	53,565	3	
Oak Harbor	22,075	1	
Jefferson County *	29,872		4
At Large	20,759	3	
Port Townsend	9,113	1	
King County *	1,931,249		61
At Large	325,000	11	
Auburn (part)	62,761	2	
Bellevue	122,363	4	
Burien	33,313	1	
Des Moines	29,673	1	
Federal Way	89,306	3	
Issaquah	30,434	1	
Kent	92,411	3	
Kirkland	48,787	2	
Maple Valley	22,684	1	
Mercer Island	22,699	1	
Redmond	54,144	2	
Renton	90,927	3	
Sammamish	45,780	1	
SeaTac	26,909	1	
Seattle	608,660	21	
Shoreline	53,007	2	
Tukwila	19,107	1	
Kitsap County *	251,133		10
At Large	170,022	7	
Bainbridge Island	23,025	1	
Bremerton	37,729	2	
Kittitas County *	40,915		4
At Large	18,063	2	
Ellensburg	18,174	2	
Klickitat County *	20,318		4
At Large	13,975	3	
Goldendale	3,407	1	
Lewis County *	75,455		7
At Large	44,892	4	
Centralia	16,336	2	
Chehalis	7,259	1	
Lincoln County	10,570		2
At Large	5,081	2	

Retail Store Locations

County	Population	At Large	At Large
Mason County	60,699		5
At Large	50,865	4	
Shelton	9,834	1	
Okanogan County *	41,120		5
At Large	24,780	4	
Omak	4,845	1	
Pacific County	20,920		2
At Large	14,073	2	
Pend Oreille County	13,001		2
At Large	9,810	2	
Pierce County *	795,225		31
At Large	366,738	17	
Bonney Lake	17,374	1	
Lakewood	58,163	2	
Puyallup	37,022	2	
Tacoma	198,397	8	
University Place	31,144	1	
San Juan County *	15,769		3
At Large	13,607	0	
San Juan Island		1	
Lopez Island		1	
Orcas Island		1	
Skagit County	116,901		10
At Large	48,112	4	
Anacortes	15,778	1	
Burlington	8,388	1	
Mount Vernon	31,743	3	
Sedro-Woolley	10,540	1	
Skamania County	11,066		2
At Large	8,645	2	
Snohomish County *	713,335		35
At Large	302,292	16	
Arlington	17,926	1	
Bothell (part)	16,415	1	
Edmonds	39,709	2	
Everett	103,019	5	
Lake Stevens	28,069	1	
Lynnwood	35,836	2	
Marysville	60,020	3	
Mill Creek	18,244	1	
Monroe	17,304	1	
Mountlake Terrace	19,909	1	
Mukilteo	20,254	1	
Spokane County *	471,221		18
At Large	136,097	7	
Spokane	208,916	8	

Retail Store Locations

Jurisdiction	Population	Number of Stores	Stores per 1000
Spokane Valley	89,755	3	
Stevens County *	43,531		4
At Large	33,893	4	
Thurston County *	252,264		11
At Large	135,123	6	
Lacey	42,393	2	
Olympia	46,478	2	
Tumwater	17,371	1	
Wahkiakum County	3,978		1
At Large	3,446	1	
Walla Walla County *	58,781		4
At Large	16,750	2	
Walla Walla	31,731	2	
Whatcom County *	201,140		15
At Large	87,065	7	
Bellingham	80,885	6	
Ferndale	11,415	1	
Lynden	11,951	1	
Whitman County *	44,776		4
At Large	5,961	1	
Pullman	29,799	3	
Yakima County *	243,231		14
At Large	83,755	6	
Grandview	10,862	1	
Selah	7,147	1	
Sunnyside	15,858	1	
Yakima	91,196	5	
State Total	6,724,540	334	334



Washington State Liquor Control Board

Search WSLCB Site

Submit Query

Home Licensing Services Enforcement Alcohol Education Careers Business Portal

I-502 Implementation

Official Statement
I-502 Full Text
OFM Fiscal Impact Statement
Fact Sheet
FAQs on I-502
Timeline
RFP: Traceability System
I-502 Licensing Education Seminars
Get Email Notifications

Rule Making

Proposed Rules
Proposed Rules at a Glance
Updated FAQs on Rules
Changes Since July 3
Retail Store Locations
Public Hearing/Special Meeting
Schedule

Small Business Impact

Amended Small Business Economic
Impact Statement
BOTEC White Paper 1
BOTEC White Paper 2

SEPA

SEPA Addendum
SEPA Environmental Checklist
SEPA DNS
Revised BOTEC White Paper
BOTEC White Paper

Consultant Information

BOTEC Summary
BOTEC Bios
BOTEC Reports

Home

FAQs on I-502

Frequently Asked Questions about Implementing Initiative 502

Subtopics (links)

- Licenses
- Retail Stores
- Public Safety/Criminal
- Federal Government
- WSLCB Hiring
- Financial
- Medical Marijuana

Licenses

Q: When can I buy marijuana legally?

A: The initiative allows the Washington State Liquor Control Board (WSLCB) until December 1, 2013 to write the rules, or implementation details, of the new system. Because the WSLCB is building the system from seed to sale, it will likely take the full year to complete the rules.

Q: What is a license? How do I get it? When can I get it

A: I-502 creates three separate tiers: marijuana producer, marijuana processor, and marijuana retailer. Specific license requirements are detailed in the proposed rules which are available [here](#). The WSLCB will begin accepting I-502 license applications on November 18, 2013. The best way to keep up to date on the process is to register for **email notifications** on the WSLCB website www.liq.wa.gov.

Q: How much does a license cost?

A: I-502 establishes a license application fee at \$250 and a \$1,000 renewal fee for each of the three licenses; marijuana producer, marijuana processor and marijuana retailer.

Q: Can I hold all three license types?

A: Having all three licenses is not permitted under I-502. A licensee may hold both a producer and a processor license simultaneously. The initiative does not allow a producer to also be a retailer or a processor to also be a retailer.

Q: How many retail licenses will be issued?

A: The number of retail locations will be determined using a formula 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. Once the number of locations per city and at-large have been identified, the specific locations will be selected by lottery in the event the number of applications exceeds the allotted amount for the cities and county.

Q: How many producer and processor licenses will be issued?

A: No limit. The LCB will open a 30 day window in November where anyone can apply, and qualified applicants will receive licenses.

Q: With a limited amount of retail licenses how will you determine who will receive them?

A: WSLCB staff are developing the guidelines for the retail license lottery in the event that there are more retail license applicants than available licenses. As more information becomes available we will notify stakeholders via the I-502 Listserv.

Q: Can a current farm just convert its crop to marijuana?

A: Converting a crop to marijuana would require a producer license and the farm would have to meet all of the guidelines set forth in the rules pertaining to outdoor growing.

Q: Can I grow my own marijuana now? Can I sell my homegrown marijuana?

A: Home grown marijuana for recreational use, as well as sale, is illegal. Recreational use marijuana must be purchased from a state-licensed retailer.

Retail Stores

Q: Are there restrictions on where I can set up a store?

A: You cannot set up a store within 1000 feet of any elementary or secondary school, playground, recreation center or facility, child care center, public park, public transit center, library, or game arcade that allows minors to enter. Local authorities will also be notified and have an opportunity to object.

Q: Will the retail outlets be run by the state?

A: Stores will be licensed and regulated by the WSLCB but will be private-sector businesses.

Q: Can I incorporate marijuana sales into my existing business?

A: No. The initiative is clear that retail outlets may only sell marijuana, marijuana infused products and marijuana paraphernalia.

Q: Can customers smoke in a retail store?

A: No. On-premise consumption is not allowed under Initiative 502.

Q: Are there any restrictions on advertising?

A: Retailers are limited to one 1,600 square inch sign bearing their business/trade name. They cannot put products on display to the general public such as through window fronts. No licensee can advertise marijuana/infused product in any form or through any medium whatsoever within 1,000 ft. of school grounds, playgrounds, child care, public parks, libraries, or game arcades that allows minors to enter. Also, you can't advertise on public transit vehicles/shelters or on any publicly owned or operated property.

Q: Will non-Washington residents be able to purchase marijuana?

A: Yes, but the marijuana products are to be consumed in Washington.

Public Safety/Criminal

Note: The WSLCB is a licensing and regulatory agency and does not handle criminal prosecutions

Q: What will the WSLCB do to ensure public safety, especially preventing access by minors?

A: Public safety is central to the WSLCB mission. As expected by the voters, the rules we create will include minimums for security, preventing minors' access to marijuana and other provisions. Educating retailers and preventing minors access to alcohol is an important part of our enforcement work today. Something similar for marijuana sales is likely.

Q: What is the DUI provision?

A: The initiative sets a per se DUI limit of "delta-9" THC levels at greater than or equal to 5 nanograms per milliliter of blood (5 ng/mL). State and local law enforcement agencies are tasked with enforcing the DUI limit.

Q: Since it's legal to possess marijuana Dec. 6, 2013, but there will not be licensed retailers from which to purchase it until 2014 can I still be arrested for possession?

A: I-502 decriminalizes marijuana possession and use in Washington State for those age 21 and older and who possess any combination of: one ounce of marijuana, 16 ounces of marijuana in solid form or 72 ounces in liquid form. The Seattle Police Department wrote an [FAQ document](#) that addresses how its officers will be handling marijuana possession going forward. Each jurisdiction may be handling it differently so it's important to check with local law enforcement on how to proceed.

Q: Can I still be drug tested now that marijuana is legal

A: I-502 does not address the topic of drug testing but it is our understanding that employers may still conduct drug testing at their discretion. Since marijuana is illegal under federal law institutions that receive federal funds will still be subject to mandated testing. Organizations such as the NFL and NBA have issued statements that marijuana consumption is a violation of their conduct policy and they intend to continue testing for it.

Q: The initiative says I cannot consume marijuana in public. What is the definition of "in public?"

A: Initiative 502 states that it is unlawful to open/consume a package of marijuana or marijuana infused product in view of the general public.

Q: Can marijuana purchased legally in Washington be transported to other states?

A: No. Marijuana and marijuana products are to be consumed in Washington State.

Federal Government

Q: What is the federal government going to do?

A: On August 29, 2013 Attorney General Eric Holder called both Governors Jay Inslee and John Hickenlooper (Colorado) to outline the federal government's guidance on legalized marijuana. That guidance was also outlined in a memo which focuses on eight points of federal emphasis such as youth access and public safety which the LCB's proposed rules address. I-502's regulatory system, and the rules written by the Board appears to meet those eight points. The memo does not change federal law. Governor Inslee's office is maintaining an open dialogue with the federal government and the WSLCB is moving forward to carry out the expectations of the agency under the new law.

Q: Since marijuana is legal in Washington can the federal government still prosecute me?

A: Yes. I-502 does not preempt federal law. Presently Washington State residents involved in marijuana production /retailing could still be subject to prosecution if the federal government chooses to do so.

Q: Can the federal government confiscate my assets?

A: Yes. Confiscation of assets is one of the enforcement tactics available to federal authorities.

Q: What about industrial hemp? Does this create a new market for hemp products?

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[Contribute a better translation](#)

A: No. I-502 is focused on legalizing the recreational use of marijuana. I-502 modifies the definition of "marijuana" to include only cannabis greater than 0.3 percent THC concentration. Cannabis under this limit – industrial hemp – is not treated as recreational "marijuana."

WSLCB Hiring

Q: Will you be hiring after the passage of Initiative 502?

A: Yes. The task of regulating an entirely new system is a big one and the agency will have to expand to meet those challenges. We are estimating about 35 hires, mostly in licensing and enforcement.

Q: How can I apply for a job with WSLCB?

A: All job openings will be posted in the **careers** section of our website. The actual application process is done through **Careers.wa.gov**. Visit their website and fill out your profile in advance so you are ready when opportunities become available.

Q: Does the WSLCB drug test new employees?

A: The WSLB does not drug test administrative staff at the time of hiring. However, we do test potential enforcement staff for drugs, including marijuana. The WSLCB is a drug-free workplace. All employees are expected to not be impaired at work. Should a reasonable suspicion arise that an employee is impaired, that person may be tested.

Q: I'm an expert in the field of marijuana how can I be involved in the process?

A: Our rule-making system is a public process so we will be engaging citizens along the way. Like hiring, the best way to keep up to date on the process is to register for **email notifications**. We will be sending out timelines and requests for public comment using email.

Financial

Q: What is retail marijuana going to cost?

A: OFM's fiscal impact statement places a price estimate of a \$3 per gram producer price, a \$6 per gram processor price and a pre-tax \$12 per gram average retail purchase price.

Q: How much tax revenue will I-502 generate?

A: Estimates range anywhere between \$0 and \$2 billion dollars during the first five years. Without knowing what the market will look like or what the federal reaction will be, it is not presently possible to accurately gauge the total amount of revenue produced.

Q: How is it going to be taxed?

A: The initiative applies a 25% excise tax on each level of the system: producer to a processor, processor to a retailer, and retailer to the customer. In addition, B&O taxes on the production and local retail sales taxes apply.

Q: I-502 tax rates are too high, can you lower them?

A: The tax structure for I-502 is prescriptive in the initiative and has become law with its passing. WSLCB officials do not have the authority to change the taxes that were voted for by the public. A change to the tax structure would have to come from the legislature. During the first two years a change to the initiative would require a two thirds majority.

Medical Marijuana

Note: I-502 does not address medical marijuana. The state does not currently license or regulate medical marijuana outlets. I-502 does not change how or where they operate.

Q: Can medical marijuana patients continue to cooperatively grow?

A: I-502 is silent on medical marijuana.

Q: Is it true that the WSLCB is just going to license current medical marijuana outlets to retail marijuana?

A: No. Retail licenses will be issued to qualified applicants who meet the licensing criteria. A medical marijuana outlet that wants to convert to a recreational outlet will have to go through the same application process as any other potential applicant. If they were to obtain a retail license they would only be allowed to sell marijuana purchased from the recreational system, they would not be allowed to comingle medical and recreational marijuana.

Q: Where can I learn more about medical marijuana?

A: The Washington State Department of Health has information about medical marijuana on its website [here](#).

Q: Will the Washington State Liquor Control Board be changing its name?

A: Presently there are no plans to change the agency's name. Any change would have to come from the state Legislature and that is a low priority at the moment.

Printer-friendly version

RCW 69.51A.140

Counties, cities, towns — Authority to adopt and enforce requirements.

(1) Cities and towns may adopt and enforce any of the following pertaining to the production, processing, or dispensing of cannabis or cannabis products within their jurisdiction: Zoning requirements, business licensing requirements, health and safety requirements, and business taxes. Nothing in chapter 181, Laws of 2011 is intended to limit the authority of cities and towns to impose zoning requirements or other conditions upon licensed dispensers, so long as such requirements do not preclude the possibility of siting licensed dispensers within the jurisdiction. If the jurisdiction has no commercial zones, the jurisdiction is not required to adopt zoning to accommodate licensed dispensers.

(2) Counties may adopt and enforce any of the following pertaining to the production, processing, or dispensing of cannabis or cannabis products within their jurisdiction in locations outside of the corporate limits of any city or town: Zoning requirements, business licensing requirements, and health and safety requirements. Nothing in chapter 181, Laws of 2011 is intended to limit the authority of counties to impose zoning requirements or other conditions upon licensed dispensers, so long as such requirements do not preclude the possibility of siting licensed dispensers within the jurisdiction. If the jurisdiction has no commercial zones, the jurisdiction is not required to adopt zoning to accommodate licensed dispensers.

[2011 c 181 § 1102.]



Washington State Liquor Control Board

Proposed Rules Highlights

Revised: September 16, 2013

LCB Rulemaking Objective

- Creating a tightly controlled and regulated marijuana market;
- Including strict controls to prevent diversion, illegal sales, and sales to minors; and
- Providing reasonable access to products to mitigate the illicit market.

LCB Role and Responsibility

- Ensuring public safety is the top priority;
- Creating a three-tier regulatory system for marijuana;
- Creating licenses for producers, processors, and retailers;
- Enforcing laws and rules pertaining to licensees; and
- Collecting and distributing taxes.

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

Proposed Rules Highlights

License Requirements

- **30-day Window**
 - The LCB will open registration for all license types for a 30-calendar-day window (November 18, 2013)
 - LCB may extend the time or reopen application window at its discretion
- **State Residency Requirement**
 - I-502 requires a three month state residency requirement (all license structure types)
- **Background Checks**
 - Personal criminal history completed by applicant. Risk of license forfeiture if incomplete or incorrect.
 - Fingerprinting of all potential licensees
 - Background checks of license applicants and financiers
- **Point System**
 - The LCB will apply a disqualifying point system similar to liquor
 - All applicants must disclose all arrests and/or convictions
 - Non-disclosure of arrests regardless of conviction will result in point accumulation

September 16, 2013

- **License Limits**

- Licensed entity or principals limited to three producer licenses
- Licensed entity or principals limited to three processor licenses
- Licensed entity or principals limited to three retail licenses. Multiple-location licensees not allowed to hold more than 33 percent of the allowed licenses in any county or city.

- **Production Limits**

- 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 actual square footage in their premises that will be designated as plant canopy. There are three categories:
 - Tier 1: Less than 2,000 square feet;
 - Tier 2: 2,000 square feet to 10,000 square feet;
 - Tier 3: 10,000 square feet to 30,000 square feet.
- The LCB may reduce a licensee's or applicants' square footage designated to plant canopy for the following reasons:
 - If the total amount of square feet for production of all licensees exceeds the two million square feet maximum, the LCB will reduce the allowed square footage by the same percentage.
 - If 50 percent production space used for plant canopy in the licensee's operating plan is not met in the first year of operation, the board may reduce the tier of licensure.
 - If the total amount of square feet of marijuana production exceeds two million square feet, the LCB may reduce all licensees' production by the same percentage or reduce licensee production by one or more tiers by the same percentage.

- **Maximum Allowable Amount on Licensed Location**

- Producer license
 - Outdoor or greenhouse: 125 percent of its year's harvest
 - Indoor: six months of its annual harvest
- Processor license
 - Six months of their average useable marijuana (plant material); and
 - Six months average of their total production (finished product).
- Retailer license
 - Four months of their average inventory

- **Licensed Location: 1'000 foot Measurement***

- Distance will be measured along the most direct route over or across established public walks, streets, or other public passageway between the proposed building/business location to the perimeter of the grounds of: an elementary or secondary school, playground, recreation center or facility, child care center, public park, public transit center, library or arcade where admission is not restricted to those age 21 and older.

***Important Note Regarding the 1,000 foot Measurement:** The LCB will file an emergency rule on October 16, 2013, that will revise the current language regarding the 1,000' buffer. The language in the emergency rule will state: "The distance shall be measured as the shortest straight line distance from the property line of the licensed premises to the property line of an elementary or secondary school, playground, recreation center or facility, child care center, public park, public transit center, library or arcade where admission is not restricted to those age 21 and older."

- **Costs and Fees**
 - \$250 application fee
 - \$1,000 annual renewal fee
 - Additional fees for background check and filing for local business license
- **Taxes**
 - License applicants must submit a signed attestation that they are current on taxes owed to the Washington State Department of Revenue
- **Insurance**
 - Licensees are required to carry commercial liability insurance.

Public Safety

- **Producer Structures**
 - Rules allow producer operations in secure: indoor and outdoor grows as well as greenhouses
- **Traceability**
 - LCB will employ a robust and comprehensive traceability system (software) that will trace product from seed/clone to sale.
 - LCB enforcement can match records to actual product on hand
- **Background Checks**
 - Personal criminal history form
 - Fingerprinting of all potential licensees
 - Background checks of licensees and financiers
- **Point System**
 - LCB will apply a disqualifying point system similar to liquor (exceptions for possession)
- **Violation Guidelines / Standard Administrative Procedures Act Guidelines**
 - \$1,000 criminal penalty for sales to a minor
 - Sets strict tiered system of violation record over a three year period
 - Group 1 public safety:
 - First violation: 10 day suspension or \$2,500
 - Second violation: 30 day suspension
 - Third violation: license cancellation
- **Local Authority Objections**
 - Substantial weight will be given to a local authority during the renewal process based upon chronic illegal activity associated with the licensee's operation of the premises.
- **Child Resistant Packaging**
 - Specific requirements for marijuana and marijuana-infused products in solid and liquid forms
- **Security and Safeguards**
 - Alarm and surveillance video camera requirements (including minimum pixels and lockbox encasement)

- Strict transportation and record keeping requirements (no third party transport of product)
- Hours of operation limited to 8:00 a.m. to 12:00 a.m.

- **Advertising Restrictions**

- Law restricts advertising within 1,000 feet of schools, public parks, transit centers, arcades, and other areas where children are present.
- May not contain statements or illustrations that are false or misleading, promotes overconsumption, represents that it has curative or therapeutic effects, depicts a child or may be appealing to children
- All advertising must contain two statements: a: "This product has intoxicating effects and may be habit forming." And, b) "Marijuana can impair concentration, coordination, and judgment. Do not operate a vehicle or machinery under the influence of this drug."

- **Limits on Retail Stores**

- Total number of retail outlets limited to 334 statewide
- LCB to provide advance notice to local authority
- Per I-502, LCB to determine number of retail outlets per county
 - BOTEK Analysis Corporation provided initial county consumption levels
 - Retail stores allocation proportionate to population and consumption

Consumer Safety

- **Behind the Counter Storage**

- No open containers or handling of product
- Sniff jars with sealed, screened-top lids allowed

- **Strict Packaging and Label Requirements**

- Limited servings and concentration per package
- Lot number
- Warning label
- Net weight
- Concentration of THC
- Usage warnings (specific warning for ingestible foods/liquids about effect delays)
- Upon request
 - Third party lab that tested lot and results
 - All pesticides, herbicides, fungicides found in product

- **Defined Serving Size**

- Defined serving sizes on marijuana-infused product label
 - 10 mg of THC per serving
 - 100 mg of THC per product
 - A single unit of marijuana-infused extract for inhalation cannot exceed one gram

- **Transaction Limits on Concentrates (extracts)**

- A single transaction is limited to seven grams of marijuana-infused extract for inhalation

- **Lab Tested and Approved (monograph)**
 - All lots will be tested by independent accredited labs
 - Established and uniform testing standards
 - Quality assurance testing
- **Store Signage and Product Warnings**
 - No minors allowed in stores
 - Required product and usage signs within stores

For more information regarding Initiative 502, please visit the Liquor Control Board website at www.liq.wa.gov.

###

Chapter 314-55 WAC
MARIJUANA LICENSES, APPLICATION PROCESS, REQUIREMENTS, AND REPORTING

NEW SECTION

WAC 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.

NEW SECTION

WAC 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 maintain 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.

NEW SECTION

WAC 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.

NEW SECTION

WAC 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 include 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.

NEW SECTION

WAC 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"> • All general partners and their spouses. • All limited partners and spouses.
Limited liability company	<ul style="list-style-type: none"> • All members and their spouses. • All managers and their spouses.
Privately held corporation	<ul style="list-style-type: none"> • All corporate officers (or persons with equivalent title) and their spouses. • All stockholders and their spouses.
Publicly held corporation	<p>All corporate officers (or persons with equivalent title) and their spouses.</p> <p>All stockholders and their spouses.</p>
Multilevel ownership structures	All persons and entities that make up the ownership structure (and their spouses).
Any entity or person (inclusive of financiers) that are expecting a percentage of the profits in exchange for a monetary loan or expertise.	<p>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.</p> <p>Any entity or person who exercises control over the licensed business in exchange for money or expertise.</p> <p>For the purposes of this chapter:</p> <ul style="list-style-type: none"> • "Gross profit" includes the entire gross receipts from all sales and services made in, upon, or from the licensed business. • "Net profit" means gross sales minus cost of goods sold.
Nonprofit corporations	All individuals and spouses, and entities having membership rights in accordance with the provisions of the articles of incorporation or the bylaws.

(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.

NEW SECTION

WAC 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.

NEW SECTION

WAC 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 (see WAC 314-55-515)	Period of Consideration
<ul style="list-style-type: none"> • Three or more public safety violations; • Four or more regulatory violations; or • One to four, or more license violations. 	<ul style="list-style-type: none"> • Violations issued within three years of the date the application is received by the board's licensing and regulation division. • Violations issued within the last three years the true party(ies) of interest were licensed.

NEW SECTION

WAC 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-

na license application or license. Per RCW 66.50.331, 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 along the most direct route over or across established public walks, streets, or other public passageway between the proposed building/business location to the perimeter of the grounds 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.

NEW SECTION

WAC 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.

NEW SECTION

WAC 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 marijuana for sale at wholesale to marijuana processor licensees and 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 non-rigid 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.

NEW SECTION

WAC 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) 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.

(4) 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.

(5) 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 re-

ceived and processed, and at subsequent times when the board deems necessary.

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

(7) 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.

NEW SECTION

WAC 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 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.

NEW SECTION

WAC 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.

(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.

NEW SECTION

WAC 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.

NEW SECTION

WAC 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 pro-

cessor 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 and marijuana-infused products 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-infused product is to be destroyed;

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

(e) Any theft of marijuana seedlings, clones, plants, trim or other plant material, extract, infused product, 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 or a lot or batch of marijuana or marijuana-infused product 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 useable 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 seedlings, clones, all plants, lots of usable marijuana or trim, leaves, and other plant matter, batches of extract and marijuana-infused products;

(k) All point of sale records;

- (l) Marijuana excise tax records;
- (m) All samples sent to an independent testing lab 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 non-flowering marijuana plants physically on the licensed premises. The producer must immediately 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 useable 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 useable 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.

NEW SECTION

WAC 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) Materials listed or registered by the Washington state department of agriculture (WSDA) or Organic Materials Review Institute (OMRI) as allowable for use in organic production, processing, and handling under the U.S. Department of Agriculture's national organics standards, also called the National Organic Program (NOP), consistent with requirements at 7 C.F.R. Part 205.

(2) 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.

(3) Commercial fertilizers registered by WSDA under chapter 15.54 RCW.

(4) 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.

NEW SECTION

WAC 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 or retailer shall notify the board of the type and amount and/or weight of marijuana and/or marijuana products being transported, the name of transporter, 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 transport manifest 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 or an employee of the licensee 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/compartment 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.

NEW SECTION

WAC 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.

NEW SECTION

WAC 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. Liquor applications may be recorded as, but are not limited to, amount of product per one hundred gallons of liquor 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.

NEW SECTION

WAC 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.

(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 whole-sale 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.

NEW SECTION

WAC 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.

(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.

NEW SECTION

WAC 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.

NEW SECTION

WAC 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.

NEW SECTION

WAC 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.

NEW SECTION

WAC 314-55-102 Quality assurance testing. (1) A person with financial interest in an accredited 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.

(2) As a condition of accreditation, 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.

(3) As a condition of accreditation, 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.

(4) As a condition of accreditation, 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.

(5) 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.

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

(7) Table of required quality assurance tests.

Product	Test(s) Required	Sample Size Needed to Complete all Tests
Flowers to be sold as usable marijuana (see note below)	1. Moisture content 2. Potency analysis 3. Foreign matter inspection 4. Microbiological screening	Up to 7 grams
Flowers to be used to make an extract (nonsolvent) like kief, hashish, bubble hash, or infused dairy butter, or oils or fats derived from natural sources	None	None
Extract (nonsolvent) like kief, hashish, bubble hash or infused dairy butter, or oils or fats derived from natural sources	1. Potency analysis 2. Foreign matter inspection 3. Microbiological screening	Up to 7 grams
Flowers to be used to make an extract (solvent based), made with a CO ₂ extractor, or with a food grade ethanol or glycerin	1. Foreign matter inspection 2. Microbiological screening	Up to 7 grams

Product	Test(s) Required	Sample Size Needed to Complete all Tests
Extract (solvent based) made using n-butane, isobutane, propane, heptane, or other solvents or gases approved by the board of at least 99% purity	1. Potency analysis 2. Residual solvent test 3. Microbiological screening (only if using flowers and other plant material that failed initial test)	Up to 2 grams
Extract made with a CO ₂ extractor like hash oil	1. Potency analysis 2. Microbiological screening (only if using flowers and other plant material that failed initial test)	Up to 2 grams
Extract made with food grade ethanol	1. Potency analysis 2. Microbiological screening (only if using flowers and other plant material that failed initial test)	Up to 2 grams
Extract made with food grade glycerin or propylene glycol	1. Potency analysis	Up to 1 gram
Infused edible	1. Potency analysis 2. Microbiological screening	1 unit
Infused liquid like a soda or tonic	1. Potency analysis 2. Microbiological screening	1 unit
Infused topical	1. Potency analysis	1 unit

(8) Independent testing labs may request additional sample material in excess of amounts listed in the table in subsection (7) of this section for the purposes of completing required quality assurance tests. Labs meeting the board's accreditation requirements may retrieve samples from a marijuana licensee's licensed premises and transport the samples directly to the lab.

(9) Labs meeting the board's accreditation requirements are not limited in the amount of useable 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.

(10) 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 (7) of this section 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.

(11) 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.

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

(13) 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 CO₂ or solvent based extract. After processing, the CO₂ or solvent based extract must still pass all required quality assurance tests in WAC 314-55-102.

(14) 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.

NEW SECTION

WAC 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 a spark free environment with proper ventilation, and follow all applicable local fire, safety and building codes in processing and the storage of the solvents.

(3) Processors may use a professional grade closed loop CO₂ gas extraction system where every vessel is rated to a minimum of nine hundred pounds per square inch and follow all applicable local fire, safety and building codes in processing and the storage of the solvents. The CO₂ must be of at least ninety-nine percent purity.

(4) 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.

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

(6) 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.

(7) 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.

NEW SECTION

WAC 314-55-105 Packaging and labeling requirements. (1) All usable marijuana and marijuana 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 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 product the customer is considering purchasing.

(4) usable marijuana and marijuana 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 tamper-proof 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 either returned to the licensed processor who provide the usable marijuana and sample jar or destroyed by the retailer after use in the manner described in WAC 314-55-097 and noted in the traceability system.

(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.

(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

The Best Resins

Blueberry haze

16.7 % THC 1.5% CBD

Warning – This product has intoxicating effect and may be habit forming

THIS PRODUCT IS UNLAWFUL OUTSIDE WASHINGTON STATE

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) 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)

UBI: 1234567890010001

Batch#: 5463

The Best Resins

Space cake

CAUTION: when eaten the effects of this product can be delayed by as much as two hours.

Net weight: 6oz (128grams)

THIS PRODUCT IS UNLAWFUL OUTSIDE WASHINGTON STATE

(Back of label)

Manufactured at: 111 Old Hwy Rd., Mytown, WA on 1/14/14 Best by 2/1/14

INGREDIENTS: Flour, Butter, Canola oil, Sugar, Chocolate, Marijuana, Strawberries,
CONTAINS ALLERGENS: Milk, Wheat,

Serving size: 10 MG of THC

This product contains 10 servings and a total of 100 MG of THC

Warning: This product has intoxicating effects and may be habit forming

NEW SECTION

WAC 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.

NEW SECTION

WAC 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.

NEW SECTION

WAC 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.

NEW SECTION

WAC 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.

NEW SECTION

WAC 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.

NEW SECTION

WAC 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.

NEW SECTION

WAC 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.

NEW SECTION

WAC 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 Dis-

trict 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.

NEW SECTION

WAC 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."

NEW SECTION

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

(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.

NEW SECTION

WAC 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 govern-

ment, 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.

(a) Board decides to renew the marijuana license:

- (i) The board will notify the jurisdiction(s) in writing of its intent to renew the license, stating the reason for this decision.
- (ii) The jurisdiction(s) may contest the renewal and request an adjudicative hearing under the provisions of the Administrative Procedure Act (chapter 34.05 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.

(b) Board decides to pursue nonrenewal of the marijuana license:

- (i) The board will notify the licensee in writing of its intent to not renew the license, stating the reason for this decision.
- (ii) The licensee may contest the nonrenewal action and request an adjudicative hearing under the provisions of the Administrative Procedure Act (chapter 34.05 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.
- (iii) If the licensee requests a hearing, the governmental jurisdiction will be 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.

NEW SECTION

WAC 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.

NEW SECTION

WAC 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.

NEW SECTION

WAC 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.

NEW SECTION

WAC 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.

NEW SECTION

WAC 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 hearing 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.

NEW SECTION

WAC 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

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.

Examples include:

- Having a signed acknowledgment of the business' responsible handling and sales policies on file for each employee;
- Having an employee training plan that includes annual training on marijuana laws.

(b) Aggravating circumstances

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:

- 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.

NEW SECTION

WAC 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
Violations involving minors:	10-day suspension or \$2,500 monetary option	30-day suspension	Cancellation of license	
Sale or service to minor: Sale of marijuana and/or paraphernalia to a person under twenty-one years of age WAC 314-55-079	10-day suspension or \$2,500 monetary option	30-day suspension	Cancellation of license	
Allowing a minor to frequent a restricted area. RCW 69.50.357	\$1,000 monetary fine	\$1,000 monetary fine	\$1,000 monetary fine	
Employee under legal age. RCW 69.50.357	\$1,000 monetary fine	\$1,000 monetary fine	\$1,000 monetary fine	\$1,000 monetary fine
Licensee and/or employee open and/or consuming marijuana on a retail licensed premises. RCW 69.50.357	\$1,000 monetary fine	\$1,000 monetary fine	\$1,000 monetary fine	\$1,000 monetary fine
Conduct violations: Criminal conduct: Permitting or engaging in criminal conduct.	10-day suspension or \$2,500 monetary option	30-day suspension	Cancellation of license	

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
Using unauthorized pesticides, soil amendments, fertilizers, other crop production aids. WAC 314-55-020(8) WAC 314-55-083(4) WAC 314-55-087 (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 WAC 314-55-105(8)	10-day suspension or \$2,500 monetary option	30-day suspension	Cancellation of license	
Using unauthorized solvents or gases in processing WAC 314-55-104	10-day suspension or \$2,500 monetary option	30-day suspension	Cancellation of license	
Refusal to allow an inspection and/or obstructing a law enforcement officer from performing their official duties. WAC 314-55-050	10-day suspension or \$2,500 monetary option	30-day suspension	Cancellation of license	
Marijuana purchased from an unauthorized source.	Cancellation of license			
Marijuana sold to an unauthorized source.	Cancellation of license			
Sales in excess of transaction limitations. WAC 314-55-095(3)	Cancellation of license			

NEW SECTION

WAC 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
Hours of service: 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
Advertising: Violations (statements/illustrations). WAC 314-55-155(2)	5-day suspension or \$500 monetary option	10-day suspension or \$2,500 monetary option	30-day suspension	Cancellation of license
Advertising violations – Sign exceeding 1600 square inches; within 1000 feet of prohibited areas; on or in public transit vehicles, shelters, or publicly owned or operated property. RCW 69.50.357 RCW 69.50.369	\$1,000 monetary fine	\$1,000 monetary fine	\$1,000 monetary fine	\$1,000 monetary fine
Packaging and/or labeling violations (processor/retailer). WAC 314-55-105	5-day suspension or \$500 monetary option	10-day suspension or \$2,500 monetary option	30-day suspension	Cancellation of license
Licensee/employee failing to display required security badge. WAC 314-55-083(1)	5-day suspension or \$500 monetary option	10-day suspension or \$2,500 monetary option	30-day suspension	Cancellation of license

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
Failure to maintain required security alarm and surveillance systems. WAC 314-55-083 (2) and (3)	5-day suspension or \$500 monetary option	10-day suspension or \$2,500 monetary option	30-day suspension	Cancellation of license
Records: Improper record-keeping. WAC 314-55-087 WAC 314-55-089 (3), (4), and (5)	5-day suspension or \$500 monetary option	10-day suspension or \$2,500 monetary option	30-day suspension	Cancellation of license
Failure to submit monthly tax reports and/or payments. WAC 314-55-089 WAC 314-55-092	5-day suspension or \$500 monetary option	10-day suspension or \$2,500 monetary option	30-day suspension	Cancellation of license
Signs: Failure to post required signs. WAC 314-55-086	5-day suspension or \$500 monetary option	10-day suspension or \$2,500 monetary option	30-day suspension	Cancellation of license
Failure to utilize and/or maintain traceability (processor or retail licensee). WAC 314-55-083(4)	5-day suspension or \$500 monetary option	10-day suspension or \$2,500 monetary option	30-day suspension	Cancellation of license
Violation of transportation requirements. WAC 314-55-085	5-day suspension or \$500 monetary option	10-day suspension or \$2,500 monetary option	30-day suspension	Cancellation of license
Exceeding maximum serving requirements for marijuana-infused products. WAC 314-55-095(2)	5-day suspension or \$500 monetary option	10-day suspension or \$2,500 monetary option	30-day suspension	Cancellation of license
Failure for a processor to meet marijuana waste disposal requirements. WAC 314-55-097	5-day suspension or \$500 monetary option	10-day suspension or \$2,500 monetary option	30-day suspension	Cancellation of license
Failure to maintain standardized scale requirements (processor/retailer). WAC 314-55-099	5-day suspension or \$500 monetary option	10-day suspension or \$2,500 monetary option	30-day suspension	Cancellation of license
Marijuana processor extraction requirements. WAC 314-55-104	5-day suspension or \$500 monetary option	10-day suspension or \$2,500 monetary option	30-day suspension	Cancellation of license
Retail outlet selling unauthorized products. RCW 69.50.357	\$1,000 monetary fine	\$1,000 monetary fine	\$1,000 monetary fine	\$1,000 monetary fine
Retailer displaying products in a manner visible to the general public from a public right of way. RCW 69.50.357	\$1,000 monetary fine	\$1,000 monetary fine	\$1,000 monetary fine	\$1,000 monetary fine

NEW SECTION

WAC 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
True party of interest violation. WAC 314-55-035	Cancellation of license			
Failure to furnish required documents. WAC 314-55-050	Cancellation of license			
Misrepresentation of fact. WAC 314-55-050	Cancellation of license			
Operating plan: Violations of a board-approved operating plan. WAC 314-55-020	5-day suspension or \$500 monetary option	10-day suspension or \$1,500 monetary option	30-day suspension	Cancellation of license
Failing to gain board approval for changes in existing ownership. WAC 314-55-120	30-day suspension	Cancellation of license		
Failure to maintain required insurance. WAC 314-55-080	30-day suspension	Cancellation of license		

NEW SECTION

WAC 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
Unauthorized sale to a retail licensee. WAC 314-55-075	\$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
Failure to utilize and/or maintain traceability. WAC 314-55-083(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
Packaging and/or labeling violations (producer). WAC 314-55-105	\$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
Unauthorized product/unapproved storage or delivery.	\$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
Failure for a producer to meet marijuana waste disposal requirements. WAC 314-55-097	\$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
Records: Improper recordkeeping. WAC 314-55-087 WAC 314-55-089 (2) and (4) WAC 314-55-092	\$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
Violation of transportation requirements. WAC 314-55-085	\$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

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
Failure to maintain required security alarm and surveillance systems. WAC 314-55-083 (2) and (3)	\$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
Failure to maintain standardized scale requirements (producer). WAC 314-55-099	\$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
Violation.				

NEW SECTION

WAC 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.

ORDINANCE NUMBER 7-2013

AN ORDINANCE IMPOSING A SIX MONTH MORATORIUM ON THE ESTABLISHMENT, LOCATION, PERMITTING, LICENSING, OR OPERATION OF MARIJUANA PRODUCTION, PROCESSING, AND RETAIL TO THE EXTENT AUTHORIZED BY INITIATIVE 502 OR APPLICABLE LAW; AND DIRECTING THE SCHEDULING OF A PUBLIC HEARING.

WHEREAS, Washington voters passed Initiative 502 at the November 2012 General Election, and

WHEREAS, said Initiative in part authorized effective December 6, 2012 adults twenty-one years of age or above to legally possess, under State of Washington law, up to one ounce of marijuana, or sixteen ounces of marijuana-infused product, or seventy-two ounces of marijuana-infused product in liquid form; and

WHEREAS, said Initiative also authorized under State of Washington law the production, processing, and sale of marijuana upon State licensure; and

WHEREAS, I-502 provides for the State licensure of producers, processors, and retailers of marijuana by December 1, 2013 in accordance with the Washington State Liquor Control Board's (WSLCB) promulgation of rules for such; and

WHEREAS, it is anticipated that the WSLCB's rules governing licensure of marijuana producers, processors, and retailers will become effective on or about mid-September 2013 allowing for the submittal of license applications at that time followed by the issuance of licenses by December 1, 2013; and

WHEREAS, Franklin County's code/ordinances do not specifically address the type and location of facilities or premises authorized by I-502 for the production, processing, and retail of marijuana; and

WHEREAS, primarily I-502's regulation of the siting of producers, processors, or retailers is limited to such being prohibited within one thousand feet of the perimeter of areas of any elementary or secondary school, playground, recreational center or facility, child care center, public park, public transit center or library, or any game arcade where persons under twenty-one years of age may enter; and

WHEREAS, the activities authorized by I-502 to date remain in violation of the federal Controlled Substances Act; and

WHEREAS, RCW 69.51.A.140 authorizes counties to adopt and enforce zoning, business, health, and safety regulations concerning marijuana; and

WHEREAS, due to the degree of I-502's regulatory framework and its conflict with Federal laws concerning marijuana Franklin County needs additional time to study any land use, health, or safety impacts and any development regulations necessary to negate or mitigate said impacts before Franklin County proceeds with any local legislative action related to such and to analyze any potential legal liabilities thereto; and

WHEREAS, RCW 36.70A.390 allows counties' governing bodies to adopt a six-month moratorium as an interim zoning control to preserve the status quo and a period of time for Franklin County to study, consider, and draft regulatory controls pertaining to producers, processors, and retailers of marijuana licensed by the WSLCB; and

WHEREAS, a six-month moratorium is necessary due to the WSLCB's rules taking effect on or about mid-September hereby allowing for submittal of applications for licensure at that time followed by license issuance by December 1, 2013; and

WHEREAS, said moratorium is in the best interests of Franklin County and is necessary to preserve the public health, safety, and welfare of the citizens.

NOW THEREFORE, the Board of Franklin County Commissioners ordains as follows:

- Section 1: Preliminary Findings of Fact.** The recitals and findings set forth above are hereby adopted as preliminary findings of fact in support of the moratorium imposed by this ordinance.
- Section 2: Moratorium Imposed.** Pursuant to the laws of the State of Washington, a moratorium is hereby imposed prohibiting within all areas of unincorporated Franklin County the establishment, location, operation, licensure, or maintenance of premises, facilities, businesses, or any other activities or operations involving the production, processing, or sale of marijuana and marijuana products authorized by Initiative 502 or any other laws of the State of Washington. While said moratorium is in effect no building permit, occupancy permit, other development permit or approval, or business license shall be issued for any of the purposes or activities set forth above. Should any permits or licenses be issued in error for the above purposes or activities, such shall be null and void.
- Section 3: No Nonconforming Uses.** No use that constitutes or purports to be production, processing, or sale of marijuana that was engaged in prior to the enactment of this ordinance shall be deemed to have been a legally established use and shall not be entitled to claim legal nonconforming status.
- Section 4: Duration.** The moratorium imposed by this ordinance shall continue in effect for six consecutive months from its effective date, unless repealed or modified by the Board of Franklin County Commissioners in accordance with applicable law.
- Section 5: Public Hearing.** Pursuant to RCW 36.70A.390 the Board of Franklin County Commissioners shall hold a public hearing on this moratorium within sixty days of the adoption of this moratorium.
- Section 6: Severability.** If any section, sentence, or portion of this ordinance or its application to any person or circumstance should be held to be invalid or unconstitutional for any reason by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity or constitutionality of the remaining portions of this ordinance or its application to any other person or situation.

Section 7: Effective Date. This ordinance shall become effective on the date of its adoption set forth below.

APPROVED AND ADOPTED this 11 day of September, 2013.

BOARD OF COUNTY COMMISSIONERS
FRANKLIN COUNTY, WASHINGTON



Rick Miller, Chair



Robert E. Koch, Chair Pro Tem



Brad Peck, Member

ATTEST:


Clerk of the Board

APPROVED AS TO FORM:

By:



Ryan E. Verhulp
Deputy Prosecuting Attorney

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