



Washington State Liquor Control Board

WSLCB Marijuana Enforcement Operation Priorities

* Enforcement operations are still in draft format and may adjust depending on the number of non-retail licensees and geographic locations

Retail Enforcement:

Will be integrated with retail liquor law enforcement for the anticipated 334 stores:

- Public Safety focus on youth access, product integration, and diversion
 - 3 youth access compliance checks (with minors) per retailer per year
 - Surveillance activity and criminal enforcement for youth access issues including:
 - Furnishing marijuana to a minor (both inside the retail store and outside shoulder tapping)
 - Allowing minors to frequent the licensed business
 - Minors purchasing / minors in possession
 - Minors attempting to frequent, using fake ID, or frequenting (if legislation passes)
 - General premises checks to ensure regulatory compliance, and detection of any other criminal activity
- Complaint investigations
 - From public
 - From Employees
 - From other businesses
 - From police referrals
- Hidden ownership investigations
 - Complaints
 - Intelligence sharing
 - Spot checks
- Packaging and labels compliance
- Advertising compliance
- Ensure no sale of other products (retail)
- Test results availability
- Security compliance
 - Facility Security and monitoring
 - Video recording compliance
 - Employee identification compliance
- Product limits
- Theft reporting
- Regulatory compliance
- Licensee education and technical assistance

Planned resource allocation to retail marijuana enforcement is 4-5 LEO 2 FTEs disbursed across the state.

Non-Retail Enforcement:

Will be an independent enforcement unit specific to enforcement and regulation of producer and processor licensees:

- Public Safety focus on youth access, product integration, and diversion
- Unannounced premises checks and surveillance
 - Prevent and/or address any illicit sales from the businesses
 - Unauthorized removal of product
 - Detection of illicit product integration into the recreational system
 - No minor employees
- Complaint investigations
 - From public
 - From Employees
 - From other businesses
 - From police referrals
- Hidden ownership investigations
 - Complaints
 - Intelligence sharing
 - Spot checks
- Spot checks for traceability compliance
 - Proper inventory and tagging controls
 - Proper and timely data entry into the traceability system
 - Event entry compliance related to:
 - Harvest
 - Destruction
 - Transportation
 - Loss
- Destruction of product oversight
- Transportation oversight (including surveillance)
 - Ensure product is going to listed location
 - Route deviation investigations to prevent diversion
 - Interdiction of transportation if not outside of approved area
 - Example: Transport approved from Moses lake to Bellevue; vehicle identified in Spokane
- Lieutenant will be liaison with local and state drug task forces
 - Information sharing
 - De-confliction
 - Joint investigation coordination
 - Potential officer assignment to a regional drug task force
- Tax referrals for non-compliance
- Partner with examiners
- Packaging and labeling compliance
- Advertising compliance
- Product limitations
- Licensee education and technical assistance



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Adopted Rules Highlights

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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
November 18, 2013	BLS begins accepting applications for all three licenses
November 20, 2013	WSLCB begins processing applications (30-day window)
December 1, 2013	Deadline for rules to be complete (as mandated by law)
December 19, 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 20, 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

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- **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**
 - Important Note Regarding the 1,000 foot Measurement: The LCB will file an emergency rule on November 6, 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

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- **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
 - BOTECH 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.lcb.wa.gov.

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Underage enforcers will try to sting new pot stores

To curtail youth access to legal marijuana, state officials plan to use minors in pot-buying attempts next year when stores are expected to open.

By Bob Young

Seattle Times staff reporter

A select group of minors will go into Washington's new legal pot stores on a covert mission: to try and buy weed for the state.

To curtail youth access to legal marijuana, state officials want to use minors in pot-buying stings next year when stores are expected to open.

Charged with implementing the new law that allows adults to possess an ounce of pot, the state Liquor Control Board already uses minors in "controlled buys" of alcohol at retail stores.

The board's enforcement chief said it makes sense to apply the same practice to pot, particularly with the federal Department of Justice watchdogging the state's newest legal intoxicant. "Of course the feds are looking at a tightly regulated market around youth access, and I think this shows we're being responsible," said Justin Nordhorn.

The agency also will ask the Legislature to set penalties for minors who attempt to purchase legal pot and those who use or manufacture fake ID cards for that purpose.

Alison Holcomb, chief author of the new law, said using minors in pot-buying stings would support the state and federal emphasis on limiting youth access. But as criminal-justice director for the ACLU of Washington, Holcomb does not believe that adding criminal laws for pot possession is a good idea. She said she would prefer a focus on other prevention strategies.

The head of a statewide substance-abuse prevention group also supports the stings, as long as minors are not put in any danger. Because pot shops may open as cash-only businesses, "it seems the potential for crime is higher, so protection for minors in sting operations must be seamless," said Derek Franklin, president of the Washington Association for Substance Abuse and Violence Prevention.

Stings appear to be warranted in alcohol enforcement. Data for the past 17 months show that alcohol retailers had an 85 percent compliance rate in youth stings. In other words, for every seven times minors working for the state tried to buy alcohol in stores, bars or restaurants, they succeeded once.

While Washington has licensed more than 20,000 locations to sell alcohol, the state plans to allow just 334 marijuana stores, making it easier, in theory, to enforce marijuana laws at them.

The pot stings would work similarly to the alcohol buys, Nordhorn said.

The state now hires 18-, 19- and 20-year-olds across the state to use in alcohol stings, according to Nordhorn. About 30 minors, both men and women, work for the liquor board. They get paid about \$10 an hour, Nordhorn said, and they tend to be students interested in law enforcement and substance-abuse prevention.

He declined to make any available for an interview. "We try to protect their identities because we don't want anyone knocking on their door," he said.

Nordhorn plans to send minors into pot stores to try to purchase products. It's the store clerks' responsibility to make sure customers are 21. The law does not even allow minors in stores.

When asked for ID, the minors would provide their real IDs. In Washington, those under 21 have driver's licenses with a vertical design unlike licenses for adults, which have a horizontal layout.

When clerks see the vertical design, they should know to check the license closely. (You could be over 21 and still have a vertical layout if you got that license when you were a minor, Nordhorn notes.)

Nordhorn said some clerks ask about age but fail to actually read the date of birth on a license. "Most mistakes aren't intentional. The sales are mostly oversights on the clerks' part," he said.

Some clerks have tried to confiscate IDs, which is not appropriate, he said. "We recommend you don't get into conflict with a minor; just refuse the sale and have them leave," he added.

If there is a pot sale, the minor would go outside, where an enforcement officer would be waiting, Nordhorn said. The purchased pot would be secured as evidence, and the officer would go in and cite the store for a violation.

The penalty for a first offense is a 10-day suspension of a store's license or a \$2,500 fine. A second violation in a three-year window would lead to a 30-day license suspension; a third violation in three years would cost a business its license.

The clerk also could be charged with a felony, as it remains a crime to furnish minors with any kind of pot in Washington.

Franklin would like to see IDs checked at the entrances to pot stores, rather than at the point of sale.

Nordhorn said that's problematic because stores likely would have to hire staff just for that purpose. Instead, he said, he advises liquor stores to check right away the IDs of youthful customers.

Nordhorn wants the Legislature to establish criminal penalties for minors trying to buy legal pot, people using fake IDs to try to buy legal pot, and anyone manufacturing fake IDs for that purpose.

Now there are no penalties for teenagers who try to buy legal pot, he explained. He'd like the offense to be a misdemeanor or gross misdemeanor, and likewise for making or using fake IDs to buy pot.

Under liquor laws, it's a misdemeanor to use a fake ID and a gross misdemeanor to manufacture a bogus one.

The Liquor Control Board is asking the Legislature to formally authorize the use of minors in pot-buying stings with a new law.

But Nordhorn said legislative approval isn't mandatory, as the use of minors in such law enforcement has been established by courts. But he believes legislative action would be good policy.

"In the interest of public transparency, it's very important for us to showcase that this is something we're going to put out in front of folks so they can expect it."

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