



Washington State Liquor and Cannabis Board

Topic: Petition for Adoption, Amendment, or Repeal of a State Administrative Rule – (WAC 314-55-570 – Social Equity in Cannabis Program)

Date: August 14, 2024

Presented by: Daniel Jacobs, Policy & Rules Coordinator

Background

In June 2024, three separate petitions for adoption, amendment, or repeal of a state administrative rule were submitted to the LCB requesting the board consider rulemaking to modify the social equity license mobility requirements in [WAC 314-55-570](#) to allow social equity licensees, who applied under Engrossed Second Substitute House Bill (E2SHB) 2870 ([chapter 236, Laws of 2020](#)), the same flexibility to locate their social equity retail license as social equity retail cannabis licenses to be issued under Engrossed Second Substitute Senate Bill (E2SSB) 5080 ([chapter 220, Laws of 2023](#)). The Petitioners’ requests are attached.

E2SSB 5080 amended RCW 69.50.335 to allow social equity applicant to locate their license in any city or town, or county that allows cannabis retail, cannabis production, or cannabis processing business activities, as applicable, at the proposed location, in the state of Washington. See [RCW 69.50.335\(1\)\(e\)\(i\)](#). Under the current rule requested to be amended, the license mobility requirements are more limited and reflect the requirements that were in place prior to the passage of passage of E2SSB 5080. Licenses issued under the previous legislation must locate the licensed business in the county where it was originally allocated and cannot relocate outside of that county. Due to local zoning restrictions and bans that are in some of these counties, current license holders have had a difficult time securing a location for the retail outlet, and subsequently unable to open their retail outlet.

On June 17th, 2024, Michael Carter submitted a petition requesting repeal or amendment of WAC 314-55-570(4)(d) to allow social equity license applicants to move their licensed locations. Later that day, Brian Chan submitted a petition with an accompanying letter using almost identical wording, seemingly from a template document. On June 18th, 2024, Juan Galvan submitted a petition with the same template wording.

Also on June 18th, 2024, the Board voted to accept three petitions submitted making the same request.

Issue

Whether the Board should accept these three petitions for rulemaking when identical petitions for rulemaking asking for the exact same rule language changes were voted for acceptance by the Board on June 18, 2024.

Relevant Laws and Rules – can be found in the petition response dated June 18, 2024.

Analysis

While many factors would typically be analyzed in deciding whether to accept a petition for rulemaking, here, the Board voted to accept a triplicate of petitions for rulemaking asking for the exact same rule language change as being asked herein.

Conclusion

The Board having already accepted a trio of rulemaking petitions asking for the exact same change, and rulemaking on rule to implement E2SSB 5080 already underway, there is no need or value added by accepting these additional petitions.

Recommendation

For the reasons described above, Director’s Office staff recommend that consistent with RCW 34.05.330(1)(b), the Board deny the petitions for adoption, repeal or amendment of rules submitted on June 17-18, 2024.

Board Action

After considering the information provided by the Director’s Office staff, the Board accepts/denies the petitions for rulemaking received on June 17-18, 2024.

_____ Accept _____ Deny	_____	_____
	David Postman, Chair	Date
_____ Accept _____ Deny	_____	_____
	Ollie Garrett, Board Member	Date
_____ Accept _____ Deny	_____	_____
	Jim Vollendroff, Board Member	Date

Attachments:

1. Petition Emails and Forms.
2. June 18, 2024 Response to Petition for Rulemaking

From: [The Amazing Michael Carter](#)
To: [LCB DL Rules](#); [Jacobs, Daniel \(LCB\)](#)
Subject: Petition submission for next rule making session
Date: Sunday, June 16, 2024 1:42:26 PM
Attachments: [Attachment 1 - Michael Carter - Carters Cannabis - Official Petition Form - License Mobility.pdf](#)
[Attachment 2 Petition Attachment For License Mobility.pdf](#)

External Email

Good afternoon Daniel and everyone on the Rules team.

I have a petition to submit in regards to mobility for Social Equity License recipients. I have a rule request and a legislative request included in the attachment to the petition. If there is a way for the rules team to create rules for the legislative change request, that would be appreciated.

I would greatly appreciate any advice on where to find the contact information to any resource provider or official who can help me accomplish these goals. Any education sources to write and submit a bill would be appreciated as well.

I have a request in regards to my petition submission. The form filler that I used seems to have unchecked the boxes. Or maybe it's just how it's displaying in my preview box here in the email. Could you please check the boxes for the ones I filled out and selected if they are unchecked?

Those would be for Amend Rule and Repeal Rule. As well as the boxes for the areas I filled in underneath them.

Thank you for your help everyone. I greatly appreciate your time.

-

Michael Carter
Carter's Cannabis
Lic # 435566
360-799-9297



PETITION FOR ADOPTION, AMENDMENT, OR REPEAL OF A STATE ADMINISTRATIVE RULE

Print Form

In accordance with [RCW 34.05.330](#), the Office of Financial Management (OFM) created this form for individuals or groups who wish to petition a state agency or institution of higher education to adopt, amend, or repeal an administrative rule. You may use this form to submit your request. You also may contact agencies using other formats, such as a letter or email.

The agency or institution will give full consideration to your petition and will respond to you within 60 days of receiving your petition. For more information on the rule petition process, see Chapter 82-05 of the Washington Administrative Code (WAC) at <http://apps.leg.wa.gov/wac/default.aspx?cite=82-05>.

CONTACT INFORMATION *(please type or print)*

Petitioner's Name Michael Carter
Name of Organization Carter's Cannabis
Mailing Address 26 Hadley RD
City Brewster State WA Zip Code 98812
Telephone 3607999297 Email kalatainment@yahoo.com

COMPLETING AND SENDING PETITION FORM

- Check all of the boxes that apply.
- Provide relevant examples.
- Include suggested language for a rule, if possible.
- Attach additional pages, if needed.
- Send your petition to the agency with authority to adopt or administer the rule. Here is a list of agencies and their rules coordinators: <http://www.leg.wa.gov/CodeReviser/Documents/RClist.htm>.

INFORMATION ON RULE PETITION

Agency responsible for adopting or administering the rule: Washington Liquor and Cannabis Board

1. NEW RULE - I am requesting the agency to adopt a new rule.

The subject (or purpose) of this rule is: Create language in the rule making process to recognize the language in RCW 69.50.335 as applying to all social equity license recipients. All license recipients that do not have a location should have the option locate anywhere in

The rule is needed because: The majority of license recipients are having trouble finding locations for their stores. Without rules to provide all SEA's with mobility, many will be unable to open quickly if at all.

The new rule would affect the following people or groups: Social Equity License holders who are having trouble finding locations for their stores. Please also see attached document.

2. AMEND RULE - I am requesting the agency to change an existing rule.

List rule number (WAC), if known: WAC 314-55-570 (4)(d)

I am requesting the following change: Language to recognize RCW 69.50.335 and the mobility of licenses as applying to "ALL" Social Equity License recipients who have not been issued a license for a specific location. And amend rule to extend statewide mobility for five years.

This change is needed because: Many Social Equity License recipients are unable to find locations after eight months of searching and we need to move our licenses so we can open as quickly as possible. There are many other counties and cities that want us now.

The effect of this rule change will be: All license recipients will easily be able to find locations for their stores and this will help prove the program a success. Otherwise many of us will still be having struggles with locations in six months or more.

The rule is not clearly or simply stated: The old language in the WAC 314-55-570 should be in line with the new language in the RCW 69.50.335 in regards to allowing statewide mobility.

3. REPEAL RULE - I am requesting the agency to eliminate an existing rule.

List rule number (WAC), if known: _____

(Check one or more boxes)

It does not do what it was intended to do.

It is no longer needed because: _____

It imposes unreasonable costs: _____

The agency has no authority to make this rule: _____

It is applied differently to public and private parties: _____

It conflicts with another federal, state, or local law or rule. List conflicting law or rule, if known: _____

It duplicates another federal, state or local law or rule. List duplicate law or rule, if known: _____

Other (please explain): _____

Michael Carter
Carter's Cannabis
26 Hadley RD
Brewster WA 98812
360-799-9297
kalatainment@yahoo.com

I am petitioning to request that the current language for license mobility apply to all SEA's that have not yet been issued a license for a specific location. Some of us have selected a county, but the language states that license mobility applies to license recipients that have not been "issued" a license for a specific location. Most of the SEA's have not been issued a license for a specific location by definition of the language in the legislation for RCW 69.50.345. I am requesting rules be written to recognize the current legislation for SEA's as applying to all SEA's that have not yet been "issued" a license for a specific location.

We have selected counties, and some of those counties are completely locked out making the license useless if unable to be moved. By definition in RCW 69.50.345 all SEA licenses are mobile if not issued for a specific location. Technically many of us have not been issued a license for a specific location. And based on the current inability to find suitable real estate, some or many of us will not open before our grant money expires if this petition request for license mobility is not recognized and acted on.

I am also requesting that the legislation be changed so that SEA licenses remain mobile for the first five years so that we are not rushed into a poor location due to time pressures on using funds etc. This would give us a greater chance at success. Five years should provide plenty of time to achieve this goal.

The industry is changing fast and anything that holds up or completely restricts license recipients from opening should look like failure to everyone that wants to see this program succeed. Some of us are completely locked out of our county/cities due to prohibitions, bans and moratoriums. Most of us are having trouble finding real estate due to the buffers. Many of us are working with our county/cities to reduce buffers. But that will be a long and uncertain journey.

In the meantime, new licenses will be issued while we are trying to convince our county/cities to make changes. For those of us that are unable to convince our county/cities to make a change, we will possibly and for some of us, we will definitely lose out on this opportunity. The licenses

will be issued, time will have been wasted, money will have been spent and grants will be lost. All because the license holder was unable to open. It was beyond their control.

We have limited time to open and our grant money will expire if we do not use it in a timely manner. Every day we are not open is costing all SEA's money and time in their current pursuit. We are driving all over our counties knocking on doors to meet landlords that may own a building that might come up for lease in the future. Many of us have been searching for over six months to find nothing so far. This could easily continue until the next licenses are issued and allowed to open up.

Some of us are currently locked out of "ALL" real estate in our county/cities due to bans and prohibitions. Without license mobility they will lose this opportunity.

Most of us are faced with a lack of available real estate for lease. The licenses that we received were lost for one reason or another when the previous business owner went out of business, or never opened due to challenges finding suitable real estate. All SEA licenses should have been given mobility from the very beginning for this reason alone.

Prohibitions and bans have increased in many of our counties and cities. The entire landscape of availability should have been considered when reissuing these licenses.

The language states that all SEA's that have not been issued a license for a specific location qualify for mobile licenses. I think the rules should be clarified to reflect this as an understanding and the recognized interpretation of the current law. Which would make all SEA licenses mobile if they have not been issued a license for a specific location.

A concern that arises if this is not the recognized language, is that the next round of licenses that will be given out may have purchasing power for real estate. The next license recipients may buy real estate in our area and lock us out of our counties if we've reached the cap for the county. That could be solved immediately if the language included with the mobility which disregards the previous county limits, applies to all SEA's who have not been issued a license for a specific location. If the license mobility language applies to all license recipients, that removes any confusion as to what actions to take if one of the next license recipients were to lock us out of our county by taking up the allotted licenses for that county.

The Social Equity program in it's name is suggestive of how this should be handled in my opinion. All SEA's should be treated equally. If the new licenses will be able to locate in any county available to them, all Social Equity licenses should be treated the same.

Many of us are working on buffer changes within our county/cities. However, if approved, the changes could take a great deal of time to enact. We could all be waiting another six months to a year before we see a change, if any. My county has increased bans since i502 officially started in 2015. They have not reduced anything. I will consider myself extremely lucky if they do reduce any buffers.

The RCW quoted below states that it is the LCB's intention to make all licenses issued under the Social Equity program mobile/roaming licenses. And based on my interpretation, it should already include all the SEA's who do not currently have a location and a license officially "issued" to them for a specific location.

We are not officially issued a license for a specific location until we have a location for that license to be issued to. So for those of us that have not found real estate yet, the language on mobility should proactively apply to all SEA's that do not have a location yet. All SEA licenses should be mobile. And they should be able to open up in any county or city without consideration for the maximum number of retail cannabis licenses established by the board for each county under RCW 69.50.345. According to the stated legislation for the Social Equity program.

According to RCW 69.50.335

Line 1 section d-f

Line 1:

(d) In addition to the cannabis retailer licenses that may be issued under (a) of this subsection, beginning January 1, 2024, and until July 1, 2032, the board may issue up to 52 cannabis retailer licenses for the social equity program.

(e)(i) At the time of licensure, all licenses issued under the social equity program under this section may be located in any city, town, or county in the state that allows cannabis retail, cannabis production, or cannabis processing business activities, as applicable, at the proposed location, regardless of:

(A) Whether a cannabis retailer license, cannabis producer license, or cannabis processor license was originally allocated to or issued in another city, town, or county; and

(B) The maximum number of retail cannabis licenses established by the board for each county under RCW 69.50.345.

(ii) The board must adopt rules establishing a threshold of the number of licenses created by this section that can be located in each county.

(f) After a social equity license has been issued under this section for a specific location, the location of the licensed business may not be moved to a city, town, or county different from the city, town, or county for which it was initially licensed.

I am requesting the state/board amend the legislation for license mobility. Or write new rules to recognize the current language in RCW 69.50.335 to clarify that the legislation covers all SEA's in regards to mobility and the ability to disregard the maximum number of licenses assigned to a county so we can move our license anywhere in the state where a city or county is welcoming.

I would also request that for optimal success in our endeavors, all licenses remain mobile as long as they are owned by the original SEA's, or at a minimum for five years. We are faced with a lack of available options for real estate. Many of us will select locations to open our stores that work within our budgets and abilities. However three to five years after we open, most of us should be looking to purchase real estate with our earnings in my opinion. And this gives everyone time to make an educated business decision, pick the best location and negotiate a fair price for real estate. This will lead to much greater success for the program and everyone involved. Currently we are under time pressure and that often leads to poor decisions. I am asking for a minimum of five years of mobility with our license until the day we are able to take on partners.

I am requesting that this line be stricken from the legislation for RCW 69.50.335:

“(f) After a social equity license has been issued under this section for a specific location, the location of the licensed business may not be moved to a city, town, or county different from the city, town, or county for which it was initially licensed.”

And replaced with:

“After a social equity license has been issued under this section for a specific location, the SEA has five years of license mobility from the date the license is considered active and may relocate anywhere in the state within any welcoming jurisdiction during that time. After five years the location of the licensed business may not be moved to a city, town, or county different from the city, town, or county for which it is licensed after the five years have passed.

From: [B](#)
To: [LCB DL Rules; Jacobs, Daniel \(LCB\)](#)
Subject: Petition for Rule Change
Date: Monday, June 17, 2024 11:12:31 AM
Attachments: [Petition for AAR of SAR.pdf](#)
[petitionLetter.pdf](#)

External Email

Please add my name to the others petitioning for this Rule Change concerning social equity license mobility.



PETITION FOR ADOPTION, AMENDMENT, OR REPEAL OF A STATE ADMINISTRATIVE RULE

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CONTACT INFORMATION *(please type or print)*

Petitioner's Name Brian Chan

Name of Organization Barnies Greenery LLC

Mailing Address 1216 Center Street Suite B

City Tacoma State WA Zip Code 98409

Telephone 626-201-9202 Email BarniesGreenery@gmail.com

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- Include suggested language for a rule, if possible.
- Attach additional pages, if needed.
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The subject (or purpose) of this rule is: recipients that do not have a location should have the option locate anywhere in

The majority of license recipients are having trouble finding locations for their stores. Without rules to provide all SEA's with mobility, many will be unable to open quickly if at all.

The rule is needed because:

Social Equity License holders who are having trouble finding locations for their stores. Please also see attached document.

The new rule would affect the following people or groups:

2. AMEND RULE - I am requesting the agency to change an existing rule.

List rule number (WAC), if known: WAC 314-55-570 (4)(d)

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The effect of this rule change will be: All license recipients will easily be able to find locations for their stores and this will help prove the program a success. Otherwise many of us will still be having struggles with locations in six months or more.

The rule is not clearly or simply stated: The old language in the WAC 314-55-570 should be in line with the new language in the RCW 69.50.335 in regards to allowing statewide mobility.

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The agency has no authority to make this rule: _____

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It conflicts with another federal, state, or local law or rule. List conflicting law or rule, if known: _____

It duplicates another federal, state or local law or rule. List duplicate law or rule, if known: _____

Other (please explain): _____

Brian Chan
1216 Center Street Suite A1
Tacoma, WA 98409
BarniesGreenery@gmail.com
(626)201-9202

Washington Cannabis & Liquor Board
1025 Union Ave SE
Olympia, WA 98504

June 4th, 2024

Dear WSLCB,

I am writing this letter to you in hopes to influence some changes to the current social equity program. I am a social equity license holder from the most recent round of licenses awarded. Most of the license holders from this round are unable to find locations due to local restrictions, zoning, prohibitions and moratoriums, 92% in fact. I myself am in Lewis County, where a moratorium remains strictly in place and the remaining landlords are unable to work with my business type. My social equity 501c3 works with boys in underprivileged communities, hurt by the War on Drugs. To these children I have made promises to, and so I have put forth exhausting efforts in Lewis County, utilizing many brokers, the internet, driving around, pulling tax records, speaking with city councils, whatever it takes, I will not stop until a place is found!

But my list of uncombed areas is dwindling, and without being able to increase the scope of area I'm searching through, I fear I may not be able to fulfill my promise. This situation must be addressed for us recipients to be able to fulfill the goals of the Social Equity Program!

I am petitioning to request that the current language for license mobility apply to all SEA's that have not yet been issued a license for a specific location. Some of us have selected a county, but the language states that license mobility applies to license recipients that have not been "issued" a license for a specific location. Most of the SEA's have not been issued a license for a specific location by definition of the language in the legislation for RCW 69.50.345. I am requesting rules be written to recognize the current legislation for SEA's as applying to all SEA's that have not yet been "issued" a license for a specific location.

We have selected counties, and some of those counties are completely locked out making the license useless if unable to be moved. By definition in RCW 69.50.345 all SEA licenses are mobile if not issued for a specific location. Technically many of us have not been issued a license for a specific location. And based on the current inability to find suitable real estate, some or many of us will not open before our grant money expires if this petition request for license mobility is not recognized and acted on.

I am also requesting that the legislation be changed so that SEA licenses remain mobile for the first five years so that we are not rushed into a poor location due to time pressures on using funds etc. This would give us a greater chance at success. Five years should provide plenty of time to achieve this goal.

The industry is changing fast and anything that holds up or completely restricts license recipients from opening should look like failure to everyone that wants to see this program succeed. Some of us are completely locked out of our county/cities due to prohibitions, bans and moratoriums. Most of us are having trouble finding real estate due to the buffers. Many of us are working with our county/cities to reduce buffers. But that will be a long and uncertain journey.

In the meantime, new licenses will be issued while we are trying to convince our county/cities to make changes. For those of us that are unable to convince our county/cities to make a change, we will possibly and for some of us, we will definitely lose out on this opportunity. The licenses

will be issued, time will have been wasted, money will have been spent and grants will be lost. All because the license holder was unable to open. It was beyond their control.

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Prohibitions and bans have increased in many of our counties and cities. The entire landscape of availability should have been considered when reissuing these licenses.

The language states that all SEA's that have not been issued a license for a specific location qualify for mobile licenses. I think the rules should be clarified to reflect this as an understanding and the recognized interpretation of the current law. Which would make all SEA licenses mobile if they have not been issued a license for a specific location.

A concern that arises if this is not the recognized language, is that the next round of licenses that will be given out may have purchasing power for real estate. The next license recipients may buy real estate in our area and lock us out of our counties if we've reached the cap for the county. That could be solved immediately if the language included with the mobility which disregards the previous county limits, applies to all SEA's who have not been issued a license for a specific location. If the license mobility language applies to all license recipients, that removes any confusion as to what actions to take if one of the next license recipients were to lock us out of our county by taking up the allotted licenses for that county.

The Social Equity program in it's name is suggestive of how this should be handled in my opinion. All SEA's should be treated equally. If the new licenses will be able to locate in any county available to them, all Social Equity licenses should be treated the same.

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According to RCW 69.50.335

Line 1 section d-f

Line 1:

(d) In addition to the cannabis retailer licenses that may be issued under (a) of this subsection, beginning January 1, 2024, and until July 1, 2032, the board may issue up to 52 cannabis

retailer licenses for the social equity program.

(e)(i) At the time of licensure, all licenses issued under the social equity program under this section may be located in any city, town, or county in the state that allows cannabis retail, cannabis production, or cannabis processing business activities, as applicable, at the proposed location, regardless of:

(A) Whether a cannabis retailer license, cannabis producer license, or cannabis processor license was originally allocated to or issued in another city, town, or county; and

(B) The maximum number of retail cannabis licenses established by the board for each county under RCW 69.50.345.

(ii) The board must adopt rules establishing a threshold of the number of licenses created by this section that can be located in each county.

(f) After a social equity license has been issued under this section for a specific location, the location of the licensed business may not be moved to a city, town, or county different from the city, town, or county for which it was initially licensed.

I am requesting the state/board amend the legislation for license mobility. Or write new rules to recognize the current language in RCW 69.50.335 to clarify that the legislation covers all SEA's in regards to mobility and the ability to disregard the maximum number of licenses assigned to a county so we can move our license anywhere in the state where a city or county is welcoming.

I would also request that for optimal success in our endeavors, all licenses remain mobile as long as they are owned by the original SEA's, or at a minimum for five years. We are faced with a lack of available options for real estate. Many of us will select locations to open our stores that work within our budgets and abilities. However three to five years after we open, most of us should be looking to purchase real estate with our earnings in my opinion. And this gives everyone time to make an educated business decision, pick the best location and negotiate a fair price for real estate. This will lead to much greater success for the program and everyone involved. Currently we are under time pressure and that often leads to poor decisions. I am asking for a minimum of five years of mobility with our license until the day we are able to take on partners.

I am requesting that this line be stricken from the legislation for RCW 69.50.335:

“(f) After a social equity license has been issued under this section for a specific location, the location of the licensed business may not be moved to a city, town, or county different from the city, town, or county for which it was initially licensed.”

And replaced with:

“After a social equity license has been issued under this section for a specific location, the SEA has five years of license mobility from the date the license is considered active and may relocate anywhere in the state within any welcoming jurisdiction during that time. After five years the location of the licensed business may not be moved to a city, town, or county different from the city, town, or county for which it is licensed after the five years have passed.

Thank you for taking the time and consideration.

Best Regards,

Brian Chan

From: [Juan Galvan](#)
To: [LCB DL Rules](#); [Jacobs, Daniel \(LCB\)](#)
Subject: Juan & Only LLC
Date: Tuesday, June 18, 2024 10:38:25 AM
Attachments: [Final Petition Attachment For License Mobility .docx](#)

External Email

Juan Galvan
Juan & Only LLC
800 W Columbia Dr
Kennewick, WA 99336
509-284-8748
hiindatri@yahoo.com

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We have selected counties, and some of those counties are completely locked out making the license useless if unable to be moved. By definition in RCW 69.50.345 all SEA licenses are mobile if not issued for a specific location. Technically many of us have not been issued a license for a specific location. And based on the current inability to find suitable real estate, some or many of us will not open before our grant money expires if this petition request for license mobility is not recognized and acted on.

I am also requesting that the legislation be changed so that SEA licenses remain mobile for the first five years so that we are not rushed into a poor location due to time pressures on using funds etc. This would give us a greater chance at success. Five years should provide plenty of time to achieve this goal.

The industry is changing fast and anything that holds up or completely restricts license recipients from opening should look like failure to everyone that wants to see this program succeed. Some of us are completely locked out of our county/cities due to prohibitions, bans and moratoriums. Most of us are having trouble finding real estate due to the buffers. Many of us are working with our county/cities to reduce buffers. But that will be a long and uncertain journey.

In the meantime, new licenses will be issued while we are trying to convince our county/cities to make changes. For those of us that are unable to convince our county/cities to make a change, we will possibly and for some of us, we will definitely lose out on this opportunity. The licenses

will be issued, time will have been wasted, money will have been spent and grants will be lost. All because the license holder was unable to open. It was beyond their control.

We have limited time to open and our grant money will expire if we do not use it in a timely manner. Every day we are not open is costing all SEA's money and time in their current pursuit. We are driving all over our counties knocking on doors to meet landlords that may own a building that might come up for lease in the future. Many of us have been searching for over six months to find nothing so far. This could easily continue until the next licenses are issued and allowed to open up.

Some of us are currently locked out of "ALL" real estate in our county/cities due to bans and prohibitions. Without license mobility they will lose this opportunity.

Most of us are faced with a lack of available real estate for lease. The licenses that we received were lost for one reason or another when the previous business owner went out of business, or never opened due to challenges finding suitable real estate. All SEA licenses should have been given mobility from the very beginning for this reason alone.

Prohibitions and bans have increased in many of our counties and cities. The entire landscape of availability should have been considered when reissuing these licenses.

The language states that all SEA's that have not been issued a license for a specific location qualify for mobile licenses. I think the rules should be clarified to reflect this as an understanding and the recognized interpretation of the current law. Which would make all SEA licenses mobile if they have not been issued a license for a specific location.

A concern that arises if this is not the recognized language, is that the next round of licenses that will be given out may have purchasing power for real estate. The next license recipients may buy real estate in our area and lock us out of our counties if we've reached the cap for the county. That could be solved immediately if the language included with the mobility which disregards the previous county limits, applies to all SEA's who have not been issued a license for a specific location. If the license mobility language applies to all license recipients, that removes any confusion as to what actions to take if one of the next license recipients were to lock us out of our county by taking up the allotted licenses for that county.

The Social Equity program in it's name is suggestive of how this should be handled in my opinion. All SEA's should be treated equally. If the new licenses will be able to locate in any county available to them, all Social Equity licenses should be treated the same.

Many of us are working on buffer changes within our county/cities. However, if approved, the changes could take a great deal of time to enact. We could all be waiting another six months to a year before we see a change, if any. My county has increased bans since i502 officially started in 2015. They have not reduced anything. I will consider myself extremely lucky if they do reduce any buffers.

The RCW quoted below states that it is the LCB's intention to make all licenses issued under the Social Equity program mobile/roaming licenses. And based on my interpretation, it should already include all the SEA's who do not currently have a location and a license officially "issued" to them for a specific location.

We are not officially issued a license for a specific location until we have a location for that license to be issued to. So for those of us that have not found real estate yet, the language on mobility should proactively apply to all SEA's that do not have a location yet. All SEA licenses should be mobile. And they should be able to open up in any county or city without consideration for the maximum number of retail cannabis licenses established by the board for each county under RCW 69.50.345. According to the stated legislation for the Social Equity program.

According to RCW 69.50.335

Line 1 section d-f

Line 1:

(d) In addition to the cannabis retailer licenses that may be issued under (a) of this subsection, beginning January 1, 2024, and until July 1, 2032, the board may issue up to 52 cannabis retailer licenses for the social equity program.

(e)(i) At the time of licensure, all licenses issued under the social equity program under this section may be located in any city, town, or county in the state that allows cannabis retail, cannabis production, or cannabis processing business activities, as applicable, at the proposed location, regardless of:

(A) Whether a cannabis retailer license, cannabis producer license, or cannabis processor license was originally allocated to or issued in another city, town, or county; and

(B) The maximum number of retail cannabis licenses established by the board for each county under RCW 69.50.345.

(ii) The board must adopt rules establishing a threshold of the number of licenses created by this section that can be located in each county.

(f) After a social equity license has been issued under this section for a specific location, the location of the licensed business may not be moved to a city, town, or county different from the city, town, or county for which it was initially licensed.

I am requesting the state/board amend the legislation for license mobility. Or write new rules to recognize the current language in RCW 69.50.335 to clarify that the legislation covers all SEA's in regards to mobility and the ability to disregard the maximum number of licenses assigned to a county so we can move our license anywhere in the state where a city or county is welcoming.

I would also request that for optimal success in our endeavors, all licenses remain mobile as long as they are owned by the original SEA's, or at a minimum for five years. We are faced with a lack of available options for real estate. Many of us will select locations to open our stores that work within our budgets and abilities. However three to five years after we open, most of us should be looking to purchase real estate with our earnings in my opinion. And this gives everyone time to make an educated business decision, pick the best location and negotiate a fair price for real estate. This will lead to much greater success for the program and everyone involved. Currently we are under time pressure and that often leads to poor decisions. I am asking for a minimum of five years of mobility with our license until the day we are able to take on partners.

I am requesting that this line be stricken from the legislation for RCW 69.50.335:

“(f) After a social equity license has been issued under this section for a specific location, the location of the licensed business may not be moved to a city, town, or county different from the city, town, or county for which it was initially licensed.”

And replaced with:

“After a social equity license has been issued under this section for a specific location, the SEA has five years of license mobility from the date the license is considered active and may relocate anywhere in the state within any welcoming jurisdiction during that time. After five years the location of the licensed business may not be moved to a city, town, or county different from the city, town, or county for which it is licensed after the five years have passed.



Washington State Liquor and Cannabis Board

Topic: Petition for Adoption, Amendment, or Repeal of a State Administrative Rule – (WAC 314-55-570 – Social Equity in Cannabis Program)

Date: June 18, 2024

Presented by: Cassidy West, Policy & Rules Manager

Background

In May 2024, three separate petitions for adoption, amendment, or repeal of a state administrative rule were submitted to the WLCB requesting the board consider rulemaking to modify the social equity license mobility requirements in WAC 314-55-570 to allow social equity licensees, who applied under Engrossed Second Substitute House Bill (E2SSHB) 2870 (chapter 236, Laws of 2020, the same flexibility to locate their social equity retail license as social equity retail cannabis licenses to be issued under Engrossed Second Substitute Senate Bill (E2SSB) 5080 (chapter 2020, Laws of 2023). The Petitioners' requests are attached.

E2SSB 5080 amended RCW 69.50.335 to allow social equity applicant to locate their license in any city or town, or county in the state of Washington. Under the current rule requested to be amended, the license mobility requirements are more limited and reflect the requirements that were in place prior to the passage of passage of E2SSB 5080. Licenses issued under the previous legislation must locate the licensed business in the county where it was originally allocated and cannot relocate it outside of that county. Due to local zoning restrictions and bans that are in some of these counties, current license holders have had a difficult time securing a location for the retail outlet, and subsequently unable to open their retail outlet.

Petition Requests

On May 17th, 2024, Zachary Steve submitted a petition for rulemaking requesting the board consider rulemaking to amend [WAC 314-55-570\(4\)\(d\)](#) to allow all social equity license holders the flexibility to locate their license anywhere in the state of Washington (attached). On May 22nd, 2024, David Rose submitted a petition for rulemaking also requesting the rule be amended to allow additional license flexibility to current social equity license holders who have had a difficult time securing a location.

The third petition, received on May 27th, 2024, was submitted by Casey Calhoun who requested either amending WAC 314-55-570 to allow state-wide license mobility for all social equity applicants regardless of which legislation the license is used under, or to repeal the rule entirely. The Petitioner asserts that the current rules conflict with the current statute (RCW 69.50.335) that was amended by E2SSB 5080.

Summary of Relevant Legislation

SB 5052: Known as the Cannabis Patient Protection Act, enacted in 2015, regulated the medical cannabis system and integrated it with the recreational cannabis system established by Initiative I-502.

Key elements include:

- 1. **Regulatory Framework**: Established comprehensive regulations for medical cannabis.
- 2. **Licensing and Compliance**: Introduced licensing requirements for medical cannabis businesses to ensure product safety and consumer protection.
- 3. **Medical Endorsements**: Created a system for medical endorsements to allow recreational retailers to serve medical cannabis patients.

E2SSHB 2870: Enacted in 2020, established Washington State's Social Equity in Cannabis Task Force and the Social Equity Program to promote diversity in the cannabis industry. The bill aimed to address the disproportionate impacts of historical cannabis prohibition policies on marginalized communities.

Key elements include:

- 1. **Social Equity Program**: Offers cannabis licenses to applicants from communities disproportionately affected by cannabis prohibition.
- 2. **Task Force**: Established to make recommendations on the implementation of the social equity program.
- 3. **Funding and Support**: Provides grants and technical assistance to help social equity applicants navigate the licensing process and establish their businesses.

E2SSB 5080: Expands and enhances the social equity in cannabis program. The legislation, effective July 23, 2023, with certain provisions effective July 1, 2024, aims to further address historical disparities and systemic inequalities faced by communities disproportionately impacted by cannabis prohibition.

Key elements include:

- 1. **Expansion of Social Equity Program**: Broadens eligibility criteria for social equity applicants.
- 2. **License Flexibility**: Introduces greater flexibility in the location and establishment of cannabis businesses for social equity applicants.
- 3. **Technical Assistance Grants**: Provides grants to support social equity applicants in preparing and submitting their applications and developing sustainable business plans.
- 4. **Enhanced Support and Resources**: Allocates additional resources for ongoing support and training for social equity licensees.

Issue

Whether the Board should initiate the rulemaking process to consider amending or repealing [WAC 314-55-570\(4\)\(d\)](#) with regard to license mobility provision changes made in E2SSB 5080.

Analysis

When making a recommendation to the Board regarding a petition for rulemaking submitted, the Director's Office Staff considers the following factors to the extent practicable:

- LCB's statutory authority and obligations;
- Alignment with the Agency's policy goals and priorities;
- The immediacy of the safety, environmental, or security concern raised;
- Potential impact to public health outcomes;
- The potential impact on criminal activity;
- Level of public interest;
- Whether the problems or issues are already under consideration by the LCB in other rulemaking issues;
- Merits of the petition; and
- Equity impacts.

Statutory Authority

LCB has the statutory authority to consider the requested changes. Both HB 2870 and E2SSB 5080 grant the agency authority to establish rules implementing the social equity in cannabis program and these petitions relate to the design and functioning of the social equity program.

Conclusion


Rulemaking on implementing E2SSB 5080 is currently underway. The CR 101 was filed on November 8, 2023 as [WSR 23-23-062](#). Given that we are already engaged in the rulemaking process and stakeholder engagement to gather feedback about the Petitioners' requests has been planned, there is no need to conduct an analysis at this time. If accepted, the proposed change will be considered as part of our ongoing rulemaking activity.

Recommendation

For the reasons described above, Director’s Office staff recommend that consistent with RCW 34.05.330(1)(b), the Board accept the petitions for adoption, repeal or amendment of rules submitted on May 17, 22, and 28, 2024.

Board Action

After considering the information provided by the Director’s Office staff, the Board accepts/denies the petitions for rulemaking received on May 17, 22, and 28, 2024.

<input checked="" type="checkbox"/> Accept <input type="checkbox"/> Deny	 David Postman, Chair	<u>6.18.2024</u> Date
<input checked="" type="checkbox"/> Accept <input type="checkbox"/> Deny	 Ollie Garrett, Board Member	<u>6.18.2024</u> Date
<input type="checkbox"/> Accept <input type="checkbox"/> Deny	<i>Not Present</i> Jim Vollendroff, Board Member	<u>6.18.2024</u> Date

Attachments:

1. Petition Emails and Forms.
2. Relevant Laws, Rules, and Legislation

Relevant Laws and Rules

Laws

[RCW 69.50.335\(1\)\(e\)](#) states that [a]t the time of licensure, all licenses issued under the social equity program under this section may be located in any city, town, or county in the state that allows cannabis retail, cannabis production, or cannabis processing business activities, as applicable, at the proposed location, regardless of:

- (A) Whether a cannabis retailer license, cannabis producer license, or cannabis processor license was originally allocated to or issued in another city, town, or county; and
- (B) The maximum number of retail cannabis licenses established by the board for each county under RCW [69.50.345](#).

[RCW 69.50.335\(4\)](#) states that the Board must adopt rules to implement this section.

Rules

[WAC 314-55-570\(4\)\(d\)](#) states regarding “License Mobility” that [s]ocial equity licenses that are currently designated to specific cities may be located anywhere within the county in which the city is located. However, the license may not be transferred outside of that county.

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